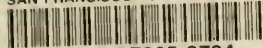


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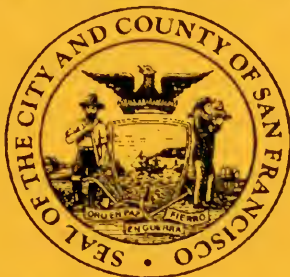
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SAN FRANCISCO AIRPORT COMMISSION



MINUTES

January 16, 2007

9:00 A.M.

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SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
January 16, 2007

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AIRPORT COMMISSION MEETING MINUTES

January 16, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 16, 2006 were adopted unanimously.

No. 07-0001

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

1. Commendation for Melinda Pengel - Deputy Chief of Police - Airport Bureau

No. 07-0002 Resolution commending Melinda Pengel, Deputy Chief of Police - Airport Bureau, for her years of service at San Francisco International Airport.

Mr. John Martin, Airport Director, said that Deputy Chief Mindy Pengel has done an outstanding job over seven years ... between 1997 and 2000 and then again between 2002 and 2006. Chief Pengel took a community approach to policing at SFO, helping to build relations and a cooperative approach between the airlines, the Airport, other government agencies and the Police Department. She always insisted on the highest standards from her troops and a very high level of cooperation between the Airport Commission and the Police Department staff that has served us so well. It has set a model for how the Police Department should be run at the Airport in the future.

Chief Pengel served 31 years with the Police Department. She was the first woman in a command position. She has made an outstanding contribution not only to the Airport but to the City overall. We are very fortunate that Chief Pengel will remain at the Airport in charge of Covenant Aviation which provides passenger screening.

Commissioner Mazzola congratulated Chief Pengel.

Commissioner Ito also congratulated Chief Pengel. She has been a wonderful role model for the City. She wished Chief Pengel the best of luck and was glad that she would remain at the Airport. She noted that Chief Pengel's sisters were still with the Police Department, protecting the City. She thanked Chief Pengel for her years of service.

Chief Pengel said that no one was certain how the pilot program would work out. She and the Director are proud of where we have come with the SFPD at the Airport.

The Airport is a great place to work and is one of the best departments and the credit goes to John Martin. He takes a team approach and an innovative approach. He includes everyone. He welcomed and supported the Police Department. You want to work for a person like that. When it came time to say good bye to the SFPD and the Airport she received this offer from Covenant and she could not have been happier.

It was time to leave and she is thrilled. She did her best and gave her heart and soul to SFPD and to the Airport. She was thrilled to be able to remain in a position where she could continue to work in safety and security and customer service and work under John.

This is going to be a fantastic job and she is proud to be a part of it. She had a great staff at the Airport ... Bob Massola, who came with her today, has been one of her right hand people. The Airport is a great operation and has good people.

She thanked the Commission and the Director for this recognition.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Award of Professional Services Agreement for Management and Operation of the

Airport's Public and Employee Parking Facilities - New South Parking-California - \$48,287,442

No. 07-0003

Resolution awarding Professional Services Agreement No. 8742 to New South Parking-California, for Management and Operation of the Airport's Public and Employee Parking Facilities in an amount not to exceed \$48,287,442 for a term of three (3) years effective July 2, 2007, with two (2) one-year options.

Mr. Leo Fermin, Deputy Director, Business and Finance explained that staff is seeking award of the new Parking Management Contract to New South Parking. The new contract would be based on the management fee submitted in the "Best and Final Offer" and the total of the reimbursable expenses submitted in their cost proposal. Although we did adjust some of the costs in certain expense categories, the grant total of these reimbursable costs remain unchanged.

The new contract would be for three years commencing July 1, 2007, with two one-year options at the discretion of the Commission. The contract also provides for a month-to-month extension after the expiration of the term, not to exceed 12 months, just in case additional time is again needed for a competitive selection process the next go around.

We are aiming for Board of Supervisors' approval by April 2007, with a transition date of July 1, 2007.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Modification No. 1 - Contract 8679 - Air Cargo Explosives Detection Pilot Program D.W. Nicholson Corporation - \$6,172,480

No. 07-0004

Resolution approving Modification No. 1 to Contract 8679, Air Cargo Explosives Detection Pilot Program with D.W. Nicholson Corporation for deployment of explosives detection systems in an amount not to exceed \$6,172,480 with 100% cost reimbursement per Agreement with Lawrence Livermore Lab.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction explained that this item modifies the Phase 2 design-build contract with D.W. Nicholson for deployment of the air cargo explosives detection screening systems in an amount not-to-exceed \$6,172,480 for construction phase services. This work supports the Airport's Air Cargo Explosives Detection Pilot Program, sponsored by the Department of Homeland Security and administered through Lawrence Livermore National Laboratory (LLNL)

Through modifications to existing contracts, the Commission previously authorized

the Phase 1 work for the removal of four surplus CTX 9000 machines from the inline baggage screening system in the International Terminal. These machines will be used for the Pilot Program. The work in progress includes procurement of long-lead items, including replacement baggage conveyor systems, which will be installed immediately following the removal of each CTX machine. The Airport anticipates starting removal of the machines at the end of this month.

The Commission awarded this contract to D.W. Nicholson for Phase 2 of the Pilot Program, which provides for the design and deployment of the cargo screening systems. With the award, the Commission authorized the contractor to proceed with the design phase. The contractor has developed the designs and has prepared detailed engineers estimates. Per the contract, the Commission may exercise an option to award the construction phase services, including systems integration, construction and high-tech maintenance.

Based on the detailed analyses performed during the design phase on the types and quantities of cargo at each of the four proposed on-Airport air cargo facilities, the size and complexity of the designs have increased significantly. This is necessary to accommodate the throughput requirements of the air cargo facilities in order to avoid flight delays. Given this, the Airport and Lawrence Livermore agreed to reduce the number of facilities to receive the systems from four to two ... United Airlines and a shared system at the Northwest/Continental facility.

Lawrence Livermore is in the process of authorizing this modification to the Reimbursement Agreement between the Airport and LLNL. The Commission's approval of this modification will be conditioned on receipt of authorization by LLNL, anticipated for Thursday of this week.

The current schedule for full deployment of the two systems is May

All funding for this modification, similar to all other Airport costs for the Pilot Program, will be provided under the Airport's Reimbursement Agreement with LLNL, budgeted in the amount of \$10 million. The current amount committed to the Pilot Program as part of the Airport's scope, including this modification, is \$8.6 million.

LLNL and the Airport's Small Business Affairs Office have determined that there are no Small Business Enterprise participation goals for this contract.

Commissioner Johns asked what the ramifications were in going from four to two.

Mr. Satero responded that the two systems that we will deploy have different levels of complexity. LLNL does not believe there will be an impact on the pilot program and the goal of data collection that they are responsible for. They feel that all of the appropriate data collection between the United cargo facility and the Northwest/Continental facility is sufficient to meet their objectives.

Commissioner Johns said that if the original cost anticipated four stations and we are scaling back to two due to increased costs in order to meet design requirements, how does that effect the future of this project? Will it be double

what we originally thought?

Mr. Martin responded that this work is being done under a contract between the TSA and LLNL. The Airport is facilitating the work. A big chunk of the overall cost is the LLNL data analysis and the best way to do cargo screening. We are not in direct control of how the overall dollars are being spent. We might not have spent as much money on the research and analytical function if we were in control.

Commissioner Johns felt that this was such an important project. She did not believe that the general public was aware that so much cargo is going on to passenger planes. Word is going to get out.

Mr. Martin said that the House of Representatives passed a bill last week that requires 100% cargo screening by 2009. This project is all the more important and we want to make sure that it is done right. Hopefully, it will be automated processing which will not only result in a high level of screening but may also improve airline efficiency. He would rather we spend the money and get it done right in a couple of cargo buildings than spread the money out and not have a successful model.

Commissioner Johns asked if we were still aiming for 90% screening.

Mr. Satero responded that the objective of the pilot program is 60% of non-exempt cargo. With the system that we develop we are trying to achieve 100% of all packages that can fit through a CTX machine.

Commissioner Johns felt that if we can do 100% of passenger baggage, we should be able to do 100% of cargo.

Commissioner Ito asked where the four CTX machines were coming from.

Mr. Satero responded that the International Terminal EDS system was designed well in advance of TSA protocols. It was a European model that had a Stage 1, Stage 2 and Stage 3 screening system. Stage 1 and Stage 3 are CTX machines. Stage 2 is the on-screen resolution that gets read. The Stage 3 machine, of which we have four, are not part of the TSA protocols that were adopted. These four machines are Stage 3 machines.

Item Nos. 4, 5 and 6 were called together. Item Nos. 4, 5 and 6 were moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

4. Award Professional Services Agreement to Provide As-Needed Airport Planning and Management Services - Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2 - HNTB Corporation - \$450,000

No. 07-0005

Resolution awarding a Professional Services Agreement to HNTB Corp. in an amount not to exceed \$450,000 to provide as-needed Airport

Planning and Management Services including
planning services related to the Domestic Terminal
Redevelopment Plan for Terminal 1 and Terminal 2.

Ms. Danielle Rinsler, Deputy Director, Planning, said that Item Nos. 4, 5 and 6 award professional services contracts for as-needed Airport planning and management services. The Planning Division's major initiative for the next 12-month period is to develop a Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2.

The plan will assess demand for new air passenger facilities at SFO; evaluate alternative improvements and the range of costs associated with each alternative; identify a recommended plan for facility redevelopment; and, guide subsequent design and engineering phases of the facility improvement.

The three packages before the Commission are for Airport planning consulting support related to the Domestic Terminal Redevelopment Plan.

The first resolution awards a professional services agreement to HNTB Corporation for an amount not to exceed \$450,000. The work to be performed by HNTB includes facility programming to design future terminal facility requirements for passenger terminal facilities; analysis of alternative improvements at Terminals 1 and 2 to accommodate future demand; cost estimating; development of a Project Definition Manual to guide subsequent architectural and engineering services; and assist with coordination of peer working group workshops to evaluate alternatives developed at key points during the planning process.

5. Award Professional Services Agreement to Provide As-Needed Airport Planning and Management Services - Preparation of Aviation Demand Forecasts, Aircraft Gate Utilization Study, and Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2 - Jacobs Consultancy - \$475,000

No. 07-0006

Resolution awarding a Professional Services Agreement to Jacobs Consultancy in an amount not to exceed \$475,000 to provide as-needed Airport Planning and Management Services including preparation of Aviation Demand Forecasts, Aircraft Gate Utilization Study, and Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2.

Ms. Rinsler said that this resolution awards a professional services agreement to Jacobs Consultancy for an amount not to exceed \$475,000. The work to be performed by Jacobs includes preparation of aviation demand forecasts for five future demand years through 2026 and three planning activity levels - low, medium and high growth scenarios; analysis of aircraft gate utilization - this study will address key issues related to gate use, supply and demand at the Airport; and provide guidance to Airport staff regarding how to proceed with terminal development, particularly related to phasing of improvements; and participation in

the peer working group evaluating domestic terminal redevelopment alternatives.

6. Award Professional Services Agreement to Provide As-Needed Airport Planning and Management Services - Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2 - Ricondo and Associates - \$175,000

No. 07-0007 Resolution awarding a Professional Services Agreement to Ricondo and Associates in an amount not to exceed \$175,000 to provide as-needed Airport Planning and Management Services including planning services related to the Domestic Terminal Redevelopment Plan for Terminal 1 and Terminal 2 and Aircraft Gate Utilization Study.

Ms. Rinsler said that this resolution awards a professional services agreement to Ricondo and Associates for an amount not to exceed \$175,000. Ricondo and Associates will provide technical assistance with the analysis of alternative terminal concepts, including the operational feasibility of each concept, and participate in the peer working group.

The Airport Planning Division has also sought and received an LBE participation goal waiver from the Human Rights Commission due the specialized nature of these services.

Commissioner Johns asked about the coordination of these three groups.

Ms. Rinsler responded that she will be managing the overall planning process, particularly taking the lead on the forecasted gate utilization studies. Other staff will take the lead on the terminal redevelopment concepts. However, we will all work closely together. The peer working group will comprise Airport staff from various departments and outside consultant support will evaluate the terminal redevelopment concepts at various points during the planning process.

Item No. 7 was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

7. Award of Contract No. 8684 - Terminal 3 Solar Power System - Bay Area Systems and Solutions, dba BASS Electric, Inc. - \$5,533,608

No. 07-0008 Resolution awarding Contract 8684, Terminal 3 Solar Power System to the lowest responsive, responsible bidder, Bay Area Systems and Solutions, dba BASS Electric, Inc., in the amount of \$5,533,608.

Mr. Ernie Eavis, Deputy Director, Facilities explained that this contract will construct a solar power system on the Terminal 3 roof and will be funded by the Public Utilities Commission under a MOU approved by this Commission on May 24, 2006. A significant rebate from PG&E will be credited to the project if the

project meets various scheduling milestones. Therefore, time is of the essence.

Two bids were received for this project, with a low bid submitted by Cupertino Electric. However, BASS Electric, due to its LBE standing, received a 10% bid discount, thus becoming the low bidder. Cupertino Electric filed a protest against BASS regarding its qualifications, license and eligibility to receive a discount. The Airport and HRC staff found these claims to be without merit. Cupertino also protested a number of bid irregularities in the BASS bid. The City Attorney determined that these irregularities were minor and did not involve price, time or changes to the work and therefore, in accordance with the specifications, can be waived at the discretion of the Commission.

We are requesting award to BASS Electric in the amount of \$5,533,608.

Item No. 8 was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

8. Modification No. 1 - Contract No. 8433AR - Old Boarding Area A Abatement and Demolition - A&B Construction - \$986,000

No. 07-0009	Resolution approving Modification No. 1 to Contract No. 8433AR, Old Boarding Area A Abatement and Demolition with A&B Construction in the amount of \$986,000 to provide additional funding to refurbish and relocate three jet bridges from Boarding Area A to Boarding Area B and to furnish and install one additional refurbished jet bridge at Boarding Area B.
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Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction explained that this item modifies Contract No. 8433AR for additional scope related to the relocation of the three jet bridges from Old Boarding Area A to Boarding Area B.

This contract was awarded to A&B Construction in the amount of \$5,071,307 and provides for the abatement and demolition of Old Boarding Area A. This is the initial contract supporting the activation of Boarding Area A Gates A1, A3 and A5 in the International Terminal. Included in the scope of work, to take advantage of the better condition bridges in old Boarding Area A, was an allowance for refurbishment and relocation of three jet bridges on Old A to replace aged jet bridges on Boarding Area B which require frequent maintenance.

The contract contains an allowance of \$500,000 for this scope, which was a rough order of magnitude estimate based on only the costs to relocate and refurbish the three jet bridges. This amount did not provide for substantial additional work discovered during the removal of the three existing jet bridges on Boarding Area B, including deficiencies in the existing foundations, the 400 hertz ground power systems, and the size of the electrical services for the jet bridges. The Airport is also proposing to purchase and install a fourth refurbished jet bridge on Boarding

Area B to accommodate additional airline traffic anticipated for summer. The not-to-exceed amount for this additional scope is \$986,000.

The demolition work will be completed on schedule by the end of January. The Airport will grant a contract extension to June 30, 2007 to accommodate this additional work. This added scope will not delay the follow-on contracts supporting the Activation of A Gates program, which is scheduled to be complete by October 2007.

The HRC local DBE subcontracting goal for the contract is 9%. For this modification there are no HRC goals due to the specialized nature of the work.

Funding will be provided from the Activation of A Gates Program contingency funds.

Item No. 9 was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

9. Authorization to Fund \$2,165,000 for the Third Year of the Airport's Financial Advisory and Arbitrage Rebate/Investment Advisory Contracts

No. 07-0010	Resolution authorizing total annual funding of \$2,165,000 for the third year of the Airport's Financial Advisory and Arbitrage Rebate and Investment Advisory Contracts.
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Mr. Fermin said that as we have done in the prior two years, we are requesting Commission approval for funding for another year for the two financial advisor contracts. This will be the third year and the requested funding provides \$775,000 for ongoing routine work that is funded out of the operating budget. We are also requesting authorization to fund an additional \$1,390,000 for potential financing transactions such as bond refundings, special financings and swap transactions which may or may not materialize. If circumstances warrant these financial transactions, and if the Commission were to approve them, then the monies to pay these fees would come from the financings, such as proceeds from the bonds which are sold. Potential transactions which may provide debt service savings in the future depend on where interest rates include \$1.2 billion worth of bonds callable in early 2008. However, right now only about \$400 million of these bonds would be worth refinancing but that amount could change as interest rates change.

The Commission approved the same approach for the first two years of these contracts. Last year, the Commission approved the same amount of funding. Of last year's total approved funding of \$2,165,000 for the second contract year, \$964,210 (or 45%) was spent.

Commissioner Johns noted that the Commission has been asked to attend a bond

disclosure seminar. The Mayor's Office and others are indicating how important it is to make full disclosure on all items the Commission votes on relative to bonds. It is very important that these consultants and staff be A+. The advice they give to staff and subsequently to the Commission is very important. She hopes we are getting the cream of the crop.

Mr. Fermin responded that we have the best financial advisory team in the country.

Item No. 10 was moved by Commissioner Guggenheimer and seconded by Commissioner Johns. The vote to approve was unanimous.

10. Amendments to FY 2006/07 Five Year Capital Plan and Authorization for Supplemental Appropriation Funding Adjustments of \$12,149,123

No. 07-0011 Resolution approving amendments to the FY2006/07 Five Year Capital Plan and authorizing supplemental appropriation funding adjustments of \$12,149,123.

Mr. Fermin said that the Airport's Five year Capital Projects Plan is updated and approved by the Commission annually. However, during the course of the year, there may arise the need to make adjustments to the Capital Plan and seek a supplemental appropriation for funding adjustments. Before you are these proposed adjustments, which have been reviewed and approved by both the Capital Projects Review Committee (CPRC) and the airlines pursuant to the Lease and Use Agreement.

He pointed out that in February we plan to come before the Commission again with the next annual revisions to the Five Year Capital Plan. However, these adjustments are before the Commission now because of the timing of the funding needs for some of these projects.

There are funding adjustments to eight projects which will require a supplemental appropriation of \$12.1 million. The Commission has previously approved the new budget and contract award for the Terminal 1 AirTrain Pedestrian Bridge project, as well as the 400 hertz electrical generators for Boarding Area G ... that was done through a declaration and ratification of an emergency procurement. And the Commission has previously awarded a construction contract for the South Field Runway Safety Area construction. Although these three projects were before the Commission previously, they are again included here because they are part of the supplemental appropriation request which will go to the Board of Supervisors.

The largest project is the \$18.7 million for the Electrical Power Distribution Improvement in the North Field. Previously, the budget and funding covered only Phases 1 and 2. This adjustment adds Phase 3 to the project which will complete the power distribution loop between the North and South Field. The Fuel Truck and the two dump trucks were originally in the Operating Budget but are now being moved to the Capital Plan. The Telecommunications Network upgrade project is

being given the funding now to start the first phase; the remaining funding will be provided in the next revision of the Five Year Capital Plan.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 11 through 22, was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

11. Award Contract 8557 - Airport-Wide Electrical and Telecommunications Construction / Repairs - Bay Area Systems and Solutions, dba BASS Electric, Inc. \$496,715

No. 07-0012 Resolution awarding Contract 8557, Airport-Wide Electrical and Telecommunications Construction and Repairs to the lowest responsive, responsible bidder, Bay Area Systems and Solutions, dba BASS Electric, Inc., in the amount of \$496,715.

12. Modification No. 1 - Contract No. 8204.9 - Construction Management Services for Terminal 1 AirTrain Pedestrian Bridge and Mezzanine (Project 5706B) and Terminal 3/International Terminal Boarding Area G Secure Connector (Project 8204) - The Allen Group, LLC, Townsend Management, Inc., & Cooper Puga Management, Inc., A Joint Association - \$850,000

No. 07-0013 Resolution approving Modification No. 1 to Contract No. 8204.9, Construction Management Services for Terminal 1 AirTrain Pedestrian Bridge and Mezzanine (Project 5706B) and Terminal 3/International Terminal Boarding Area G Secure Connector (Project 8204) with The Allen Group, LLC, Townsend Management, Inc., & Cooper Puga Management, Inc., A Joint Association, in the amount of \$850,000 for services through December 31, 2007.

13. Modification No. 1 - Contract 8433.9 - Construction Management Services for the Activation of International Terminal Gates A1, A3 & A5 - URS/ECS, A Joint Venture - \$500,000

No. 07-0014 Resolution approving Modification No. 1 to Contract 8433.9, Construction Management Services for the Activation of International Terminal Gates A1, A3 & A5 with URS/ECS, A Joint Venture in the amount of \$500,000 for services through December 31, 2007.

14. Bid Call - Contract No. 8433D - Activation of Boarding Area A - Gates A1, A3 & A5 - Interior Architectural Improvements
- No. 07-0015 Resolution approving scope, budget and schedule for Contract 8433D, Activation of Boarding Area A - Gates A1, A3 & A5, Interior Architectural Improvements and authorizing the Director to call for bids when ready.
15. Bid Call - Contract No. 8484 - Terminal 1 Canopy Re-Roof
- No. 07-0016 Resolution approving scope, budget, and schedule for Contract 8484, Terminal 1 Canopy Re-Roof, and authorizing the Director to call for bids when ready.
16. Bid Call - Contract No. 8433E - Activation of Boarding Area A - Gates A1, A3 & A5 - Passenger Loading Bridges and Aircraft Systems
- No. 07-0017 Resolution approving scope, budget and schedule for Contract 8433E, Activation of Boarding Area A - Gates A1, A3 & A5, Passenger Loading Bridges & Aircraft Systems and authorizing the Director to call for bids when ready.
17. Bid Call - Contract No. 8739 - Central Plant Cooling Systems
- No. 07-0018 Resolution approving scope, budget and schedule for Contract 8739, Central Plant Cooling Systems, and to authorize the Director to call for bids when ready.
18. Modification No. 4 to Marketing Services Contract - The M-Line - \$80,000
- No. 07-0019 Resolution approving Modification No. 4 to the Marketing Services Contract with The M-Line, a local HRC certified WBE firm, to add \$80,000 for a new not-to-exceed contract total of \$3,628,000, for additional website redevelopment services and to promote SFO as a venue in the 2007 San Francisco International Arts Festival.

Commissioner Johns thought we were going out to bid for this marketing contract.

Mr. Mike McCarron, Director, Community Affairs, responded that we are going out to bid shortly. This is an extension of the contract to provide services for additional

website development and marketing services for the 2007 San Francisco International Arts Festival. Funds are being transferred from another project so there is no increase to the budget.

Mr. Martin said that the Board of Supervisors added money to our budget for the Arts Festival.

Commissioner Ito asked if the Arts Festival was City-wide.

Mr. Martin said that it is a City-wide program but we are limited by Revenue Diversion restrictions.

19. Approve Revised Lease Specifications for the Technology Products Stores Lease

No. 07-0020 Resolution approving the revised lease specifications for the Technology Product Stores Lease, with a term of five years, with two one-year options, and a minimum acceptable proposal amount of \$500,000.

20. Approve Proposed Lease Specifications, Minimum Qualifications and Bid Requirements, and Authorization to Conduct a Pre-bid Conference for Garage Taxi Staging Area Mobile Catering Truck Lease

No. 07-0021 Resolution approving proposed lease specifications, minimum qualifications and bid requirements, and authorization to conduct a pre-bid conference for the Garage Taxi Staging Area Mobile Catering Truck Lease.

21. Approval of GTE Mobilnet of California LLP, dba Verizon Wireless' Cellular Lease No. 06-0005D

No. 07-0022 Resolution approving the GTE Mobilnet of California LLP, dba Verizon Wireless' Cellular Lease 06-0005D 1) for a term of one year, 11 months, and 14 days in order to be coterminous with the other cellular leases, and 2) with annual rent commencing at the second Lease Year rent paid by the other cellular service providers, which is \$275,000.

22. Rental Credit of \$9,750 to D-Lew Enterprises, LLC dba Il Fornaio

No. 07-0023 Resolution approving rental credit of \$9,750 to D-Lew Enterprises, LLC dba Il Fornaio.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

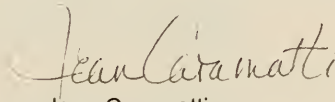
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

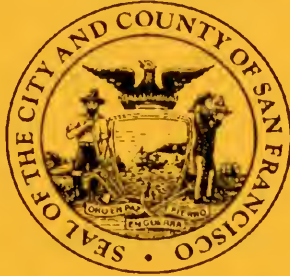
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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:35 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

February 6, 2007

9:00 A.M.

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COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
February 6, 2007

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AIRPORT COMMISSION MEETING MINUTES

February 6, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenhime

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 16, 2007 were adopted unanimously.

No. 07-0024

* * *

D. SPECIAL ITEM:

Item Nos. 1, 2 and 3 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Retirement Resolution - Manuel C. Atienza

No. 07-0025 Resolution thanking Mr. Manuel C. Atienza for 37 years of faithful service with the City and County of San Francisco.

Mr. John Martin, Airport Director said that these are three of his favorite employees. When he began at the Airport in 1981 he was at their desk three or four times a day asking for help and learning about the City and County of San Francisco budgeting system. They were very helpful and patient with him and he knows that that same patience and helpfulness has been shown to so many other employees. He has depended on them over the years to protect him and make sure that he wasn't doing anything that would get him or the Airport in trouble. He always felt comfortable knowing they were in Accounting.

Manny has served the City for 37 years, with 31 years at SFO. Pat has been

with the City for 34-1/2 years, with 27 years at SFO. Roberta has been with the City for 33 years, with 25 years at SFO.

Manny and Pat are retiring as Senior Accountants and Roberta is retiring as a Principal Accountant.

He said that they have all been outstanding employees and he thanked them for their great years of service to the Airport.

Mr. Atienza said that he loved the atmosphere at the Airport. It never occurred to him that one day that young man that he spoke with every day would one day be the Director. He also watched Leo Fermin and Kevin Kone rise to the top. He said that the Airport has been his second home.

He thanked the Director and the Commission.

2. Retirement Resolution - Patricia D. Navarro

No. 07-0026 Resolution thanking Ms. Patricia D. Navarro for 34 ½ years of faithful service with the City and County of San Francisco.

Ms. Navarro said that she will miss the Airport and the people. She agreed with Manny that the Airport is her second home. She is not sure that she wants to leave. She thanked everyone for everything. It was great to work with these employees.

3. Retirement Resolution - Roberta M. Canta

No. 07-0027 Resolution thanking Ms. Roberta M. Canta for 33 years of faithful service with the City and County of San Francisco.

Ms. Canta thanked the Commission for this recognition. She also thanked the management, especially John Martin, Leo Fermin and Ben Kutnick for their support.

Commissioner Mazzola said that this was a combined total of 83 years of expertise. He hope the Director has backfilled their positions.

He thanked them for their service and congratulated them on their retirement.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito said that she was approached by three Commissioners from the Immigrant Rights Commission regarding having a joint meeting with us. She directed

them to the John Martin because some of their questions appeared to be under the purview and authority of Homeland Security. They met with Mr. Gomez of the TSA. However, she thought that there may be another list of concerns that have arisen. We need to communicate with that Commission and sort out any areas that we may need to address.

Mr. Martin responded that he will have a member of staff follow up. The immigrant issues do fall under Federal agencies, however, the Airport can certainly play a role in facilitating meetings and bringing parties together.

Commissioner Crayton said that she has been traveling extensively over the last two months and has had the opportunity to be in many airports throughout the United States. She applauded SFO and the way we deal with taxicabs. She feels safe here and she knows that there is a process in place. She knows that she will get a taxicab that is regulated by the City. Even other Bay Area airports do not have the process that we have in place. She knows how difficult it was to get this process in place and thanked the Director and his staff for accomplishing it and safeguarding the passengers and citizens of San Francisco.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Approve Proposed Fiscal Year 2007/08 Operating Budget - \$624.9 Million

No. 07-0028	Resolution approving the proposed Airport Commission Operating Budget in the amount of \$624.9 Million for Fiscal Year 2007/08.
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Mr. Leo Femin, Deputy Director, Business and Finance explained that for the next fiscal year we are proposing an operating budget of \$624.9 million, which is a \$21.5 million or 3.6% increase over this current fiscal year's budget of \$603.4 million.

The total number of positions remain unchanged, however, divisions were allowed to reclassify or substitute positions to meet changes in staffing needs.

Salaries and fringe benefits are being increased by \$8.1 million or 6.7%. The main drivers of this increase are the estimated average labor MOU increases of 2.5%, accounting for \$5.9 million of the increase. We are also budgeting for an 8% increase in fringe benefits such as health and dental insurance costs.

Professional and Specialized Services show a \$2.5 million or 6.2% increase. The single largest increase in one division is for \$700,000 for work on the West of Bayshore Habitat Recovery Plan, the Domestic Terminals Redevelopment Plan, the Control Tower siting studies and the Demand Management Plan.

Maintenance Services (equipment) is increased by \$1.5 million or 10.9%. About half of this increase is for AirTrain maintenance costs for the CPI adjustment in their contract; installation of a passenger counting system to monitor ridership counts; and, replacement of worn carpeting in the cars. The other half of the increase is for the elevator/escalators repairs and maintenance contract. The increase provides for labor rate payments at the prevailing wage rates, which have increased over the last 5 years while our contract rates have been flat.

Debt service is increasing by \$2.8 million. However, had we not done the last refunding, Issue 32 last year, there would have been an additional \$5.5 million increase in debt service over and beyond this increase.

The largest increase in services from other City Departments is for Police costs. Their contract negotiations are underway and we have provided for a 4.6% increase.

Finally, we are increasing funding for facilities maintenance projects by an additional \$1.5 million or a 52% to address increasing facilities repairs such as the central plant chiller (\$450,000), sewer repairs (\$450,000), and HVAC repairs (\$250,000).

Commissioner Guggenhime asked if was just utility costs going up.

Mr. Fermin responded that we are expecting an increase in the utility rate. We expect the water rate to increase by 15% and we expect a slight increase in the electricity rate.

Commissioner Crayton asked if the \$850,000 takes into account the solar panel work we are doing.

Mr. Fermin responded that it factors in our current rate of usage. If we install solar panels and we see a reduction in our energy usage it should result in our expenses coming in below our budget.

Commissioner Ito noted that there have been suggestions that usage be reviewed throughout the Airport to determine if lighting could be reduced during certain times of the day and asked if there are any savings in that area.

Mr. Ernie Eavis, Deputy Director, Facilities, explained that the actual usage has been fairly flat and in some areas it has actually gone down. We recently finished an energy audit with the PUC. A presentation will be made to the Director within a month on various things we can do to save electricity such as changing out equipment, but that will come at a cost. However, the PUC believes we could save between \$5-\$7 million if we do everything they suggest. We will not be able to do everything right away, but it will make a difference.

The study took about a year and began shortly after the Commission made the request to take a look at it.

Commissioner Johns asked if we involved the Department of the Environment.

Mr. Eavis responded that they have not been involved as a department, but the PUC does use some of their guidelines when recommendations are made.

Commissioner Johns was thinking more in terms of swapping out light bulbs with fluorescent bulbs.

Mr. Eavis responded that we have been doing that and those small things do make a difference.

Commissioner Crayton noted that the training budget is decreasing.

Mr. Fermin responded that we do have a fairly comprehensive training program. We believe we can do as much as we have done in the past. This year we plan to do training in computer related technical advancement and achievement areas, security and safety compliance, technical maintenance continuous improvements of our staff's abilities, supervisory growth and development, and management and career development training sessions and seminars. This is for front line and rank and file staff.

Commissioner Crayton asked if there were annual training programs for all employees.

Mr. Fermin responded that there are. We have a fairly well documented program that our EEO office is conducting.

Commissioner Ito asked about the increase in the Police Department budget.

Mr. Fermin responded that they are currently in contract negotiations. We expect there will be some increase so we have averaged increases over the past several years and used that as the basis for the budget. We do not know if it will be the same amount of increase reflected in our budget.

Commissioner Ito asked if we lost the 10 or so officers during the debate about the foot patrol in the City.

Mr. Fermin responded that our personnel is down, but we did not have anyone taken from the Airport. The Police Department has asked to take a look at our staffing level given the shortages in the City. We are participating in that review.

Commissioner Crayton asked about the 52% increase in the Facilities Maintenance Projection Allocation.

Mr. Fermin responded that that is an increase over what we were budgeting this current fiscal year to help address the aging condition of our facilities. More money needs to be placed in facilities maintenance.

Item Nos. 5 and 6 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve Item Nos. 5 and 6 was unanimous.

5. Adoption of Minimum Standards for Fixed Base Operation at the San Francisco International Airport

No. 07-0029

Resolution adopting minimum standards for fixed base operation at the San Francisco International Airport.

Mr. Fermin explained that Item No. 5 approves the establishment of Minimum standards for an FBO at SFO. The FAA encourages airports to develop these standards to insure a minimum level of operating standards exist. These standards address the types of services which are provided, the facilities and their physical sizes, the equipment that will be used, hours of operation, licenses and certification required, insurance requirements, and other conditions of operation.

The Minimum Standards would apply regardless of who operates the FBO. The selection process for determining the new operator is addressed in Item No. 6, which seeks Commission approval to finalize the RFP terms and conditions and accept proposals from interested parties.

There will be controls on fuel prices under the new Lease and Operating Agreement. At the start of each quarter, the Airport, in consultation with the operator, selects five FBOs, each at different airports and survey retail fuel prices. The operator's maximum retail fuel price shall be set using the average price among the five FBOs. Then, during the quarter, if the wholesale price increases according to a published fuel index, the operator may increase the retail price up to 5% more, but matching the same percentage change in the wholesale index. Approval of the Airport Director is needed for any increase in excess of 5%. Additionally, the Director reserves the right to conduct the price setting survey more frequently than quarterly, if necessary.

We are planning to have proposals due before the end of March, reserve the month of April for the evaluation process, and seek Commission approval by the end of May. Then in June and July we would seek Board of Supervisors approval and the approval of other City agencies. The current contract ends on September 30, 2007 and the new contract would commence on October 1st.

6. Approval of the Revised Lease and Operating Agreement Specifications, Minimum Qualifications, and Proposal Requirements and Authorization to Accept Proposals for the Fixed Base Operator Lease and Operating Agreement

No. 07-0030

Resolution approving the revised Lease and Operating Agreement specifications, minimum qualifications, and proposal requirements, and authorizing staff to accept proposals for the Fixed Base Operator Lease and Operating Agreement.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Award of Contract No. 8739 - Central Plant Cooling Systems on a Sole Source Basis - Carrier Corporation - In an Amount Not-to-Exceed \$525,000

No. 07-0031

Resolution to award Contract No. 8739, Central Cooling Plant Cooling Systems on a Sole Source Basis to Carrier Corporation in an amount not-to-exceed \$525,000 for conversion of Chiller #3 from an ozone-depleting refrigerant operation.

Mr. Ernie Eavis, Deputy Director, Facilities, said that in January the Commission approved a bid call for this contract to retrofit and convert Chiller No. 3 in the Central Plant. That Chiller was put into service in 1987 and at that time it was using R500, a refrigerant that replaced freon. As time went on it was found that R500 also depleted the ozone layer. Over time we have come up with different refrigerants that are not as harmful to the ozone. Since R500 is no longer available we can no longer recharge that Chiller. As a result, the Chiller becomes less and less efficient ... it is currently running at 15-20% efficiency.

This contract will allow us to retrofit the Chiller so that we can use R134 which does not deplete the ozone. This will allow us to run the Chiller at 80-90% efficiency.

When we put this contract out to bid we discovered that there are only two of these Chillers west of the Mississippi and they are both at SFO. We also discovered that Carrier is the only company that can do this work. Replacing the Chiller would cost us about 10 times what this retrofit will cost.

Commissioner Mazzola assumed that Prevailing Wage would be stipulated in the contract. He is familiar with Carrier. They tend to bring in what they call technicians and pay them less than Prevailing Wage. He assumed that we still have someone checking on them when they work.

Mr. Eavis responded that we do.

* * *

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 8 through 15, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

8. Award of Professional Services Agreement - As-Needed Airport Planning and Management Services - Domestic Terminal Redevelopment Plan - Louis Berger Group - In an Amount Not-to-Exceed \$275,000

No. 07-0032

Resolution to award a professional services agreement in an amount not-to-exceed \$275,000 to

Louis Berger Group to provide as-needed airport planning services including planning services related to the Domestic Terminal Redevelopment Plan.

Commissioner Johns asked why this was not brought before them when the previous items were brought to the Commission. She asked if this came up after that Commission meeting.

Ms. Danielle Rinsler, Director, Planning, explained that Louis Berger will be assisting with the peer advisory group as part of the Terminal Redevelopment Planning process. They are included as part of our team of four consulting firms that will be assisting with the alternative studies.

We received Commission approval in November for the pool and we wanted to start in December with some of the work and tasking some of the firms with assignments. We had not met with the Louis Berger staff until late January which did not allow enough time to get them on the last calendar. There is an architect/terminal planner in their New York office who will be assisting with the peer advisory group. We thought it was worthwhile to bring him into the process.

Commissioner Johns felt that in the future it would be helpful to know when other contracts will be considered so the Commission can think about the total package.

9. Award of Professional Services Agreement - As-Needed Environmental Planning and Management Services - West of Bayshore Habitat Recovery Plan and Permitting - LSA Associates, Inc. - In an Amount Not-to-Exceed \$260,000

No. 07-0033

Resolution awarding a professional services agreement in an amount not-to-exceed \$260,000 to LSA Associates, Inc., to provide as-needed environmental planning services including planning and permitting services related to the West of Bayshore Habitat Recovery Plan.

10. Award of Contract No. 8745 - As-Needed Sustainability Planning Services Vanasse Hangen Brustlin, Inc. - In an Amount Not-to-Exceed \$54,994

No. 07-0034

Resolution awarding a professional services agreement, Contract No. 8745, As-needed Sustainability Planning Services to Vanasse Hangen Brustlin, Inc. (VHB) in an amount not-to-exceed \$54,994, to support Airport staff in preparing the Environmental Sustainability Report. VHB's services will include: peer review; identifying any data gaps; preparing presentation graphics; professional editing; providing draft and final report;

and, developing a web page version to include on the Airport's website.

11. Modification No. 2 to Bond Trustee Services Contract with the Bank of New York Trust Company - \$900,000

No. 07-0035 Resolution approving Modification No. 2 with the Bank of New York Trust Company in the amount of \$900,000 to provide trustee fees for the next five years for ongoing Trustee Services such as Bondholder Principal and Interest Payments and Swap Payments as required by the Airport's Master Bond Resolution.

12. FasTrak® License and Electronic Identification Billing Agreement with the Transportation Corridor Agencies

No. 07-0036 Resolution authorizing the Airport Director to enter into a Fastrak® License and Electronic Billing Agreement with the Transportation Corridor Agencies.

13. Authorization to Issue a Request for Proposals for International Airline Service Consulting

No. 07-0037 Resolution authorizing the Director to issue a Request for Proposals for International Airline Consulting Services to replace a current, expiring contract. The new contractor will help develop international airline service, work with the Airport on bilateral aviation issues and work toward increasing passenger and cargo-related services.

14. Authorization to Accept Proposals for the Cellular Phone Rental Lease

No. 07-0038 Resolution approving the revised lease specifications, minimum qualifications, and proposal requirements, and authorizing staff to accept proposals for the Cellular Phone Rental Lease, with a minimum acceptable proposal amount of \$33,000, and a base term of three years with two one-year options to extend the term, exercisable by the Airport Commission.

Commissioner Crayton asked if we addressed this issue last year.

Mr. Fermin responded that we had a cellular phone rental lease in the International Terminal that ended. At that time staff informed the Commission that a new location would be looked at for a new rental. The location has been moved from the two sides at the opposite ends of the lobby to a more central location in the center of the arrivals area of the International Terminal.

Mr. Martin explained that there was a time when we felt there was no demand for this service, but in fact, there is a demand and a level of interest from firms.

15. Modification No. 6 to U.S. Government Lease GS-09B-01380 with the U.S. Transportation Security Administration

No. 07-0039

Resolution approving Modification No. 6 to U.S. Government lease GS 09B-01380 to extend the term and modify the premises and rent provisions of the lease with the U.S. Government for space occupied by the Transportation Security Administration and the U.S. Visit Program pursuant to Supplemental Lease Agreement No. 6.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Gene Chan, Covenant Aviation (Airport Screener) said that he was present to help the Prospect employees. They deserve to have a contract such as Covenants. Their part time employees have good benefits. More importantly, he is present to address a health and safety issue. He has seen Prospect employees pushing two, three and four wheelchairs at a time. He feels that is unsafe. He understands that they have been ordered to push more than one wheelchair at a time. This could be a safety issue for passengers and for the employees who push them. It isn't easy to control three or four wheelchairs at one time.

Mr. Das Lamparas, SEIU Local 790 union rep, said that he was working with SEIU Local 1877 on behalf of the Prospect workers. Prospect workers have unsafe working conditions that create unsafe situations for passengers.

The National Labor Relations Board has recently issued a complaint against Prospect for terminating two of their bargaining committee members while they are bargaining. Originally, Prospect refused card check but were forced into it through intervention by Carl Bunch. One of the main reasons they are before the Commission today is the bad image Prospect is portraying of SFO.

Mr. Lamparas submitted a memorandum from Prospect Regional Vice President, Mr. James Wajda explaining that the policy to push wheelchairs at the airport remain the same until a union contract is agreed upon (see attachment).

More than a dozen workers have been dealing with back and shoulder pain because they are pushing two wheelchairs. Prospect has been threatening employees with termination or suspension if they do not follow the policy.

SFO is one of the best airports in the world, but it is the only airport where two wheelchairs are pushed at one time.

He asked the Commission to intervene and investigate this matter and penalize Prospect as much as possible. Ban them from doing business at SFO.

Ms. Maggie Gribben, organizer with SEIU, Local 1877, said that she has been helping with the bargaining for Prospect employees. There are SEIU workers at the Airport that enjoy good health care, good wages and decent working conditions. They are expected to push one wheelchair at a time. They should not be expected to sacrifice their health and safety nor that of their passengers.

She asked the Commission to investigate this company and make SFO a place where passengers want to come and people want to work.

Ms. Maria Luisa Sarte, Prospect employee, said that she was present to express the feelings of her co-workers about this bad image and health and safety issues ... not just for them but for the passengers as well.

Commissioner Mazzola thanked the speakers for bringing this to the Commission's attention. He asked if they were in bargaining at this time.

Mr. Lamparas responded that they are.

Commissioner Mazzola said that staff will look into what the Airport can do legally, however, during bargaining you have to handle this yourself. He wished them luck in their bargaining.

Mr. Lamparas said that they want Prospect to stop the policy of pushing two wheelchairs at one time.

Commissioner Mazzola responded that staff will investigate the safety issue and its legality.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:45 A.M. and the closed session began.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:12 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:13 AM.


Jean Caramatti
Commission Secretary



2130 S. Wolf Road • Des Plaines, Illinois 60018

(847) 299 - 3636

Fax: (847) 299 - 3638

To: All Prospect International employees

9/13/06

Subject: Employees International Union; Local 790/1877

We are in the process of opening contract negotiations with Local 790/1877. It is important to note that there has been no agreement on work rules and or procedures. When these changes are made and approved by both sides, then this information will be passed on to the employee group in written format.

It is important to comply with current regulations until the approved written contract is received by the employee group. If current regulations are not followed, then disciplinary action will result.

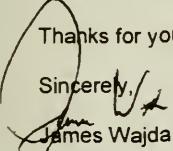
It will remain a policy for wheelchair attendants to push two wheelchairs. We prefer to send one person for one chair but from time to time the wheelchair demand will be greater than the supply of wheelchair pushers. So on those occasions, Philippines Airlines is a good example; you may need to push two chairs. This can be done in two ways. Push one chair to the immigration line and then get the other chair or push both at the same time.

Prospect currently conducts business in 13 airports throughout the United States. This policy of pushing two wheelchairs is in place in each of these cities. In fact, this practice is the industry norm outside San Francisco.

If you have any questions or concerns, you may contact Alex or your local management or feel free to talk to me when I am in town.

Thanks for your support on this issue.

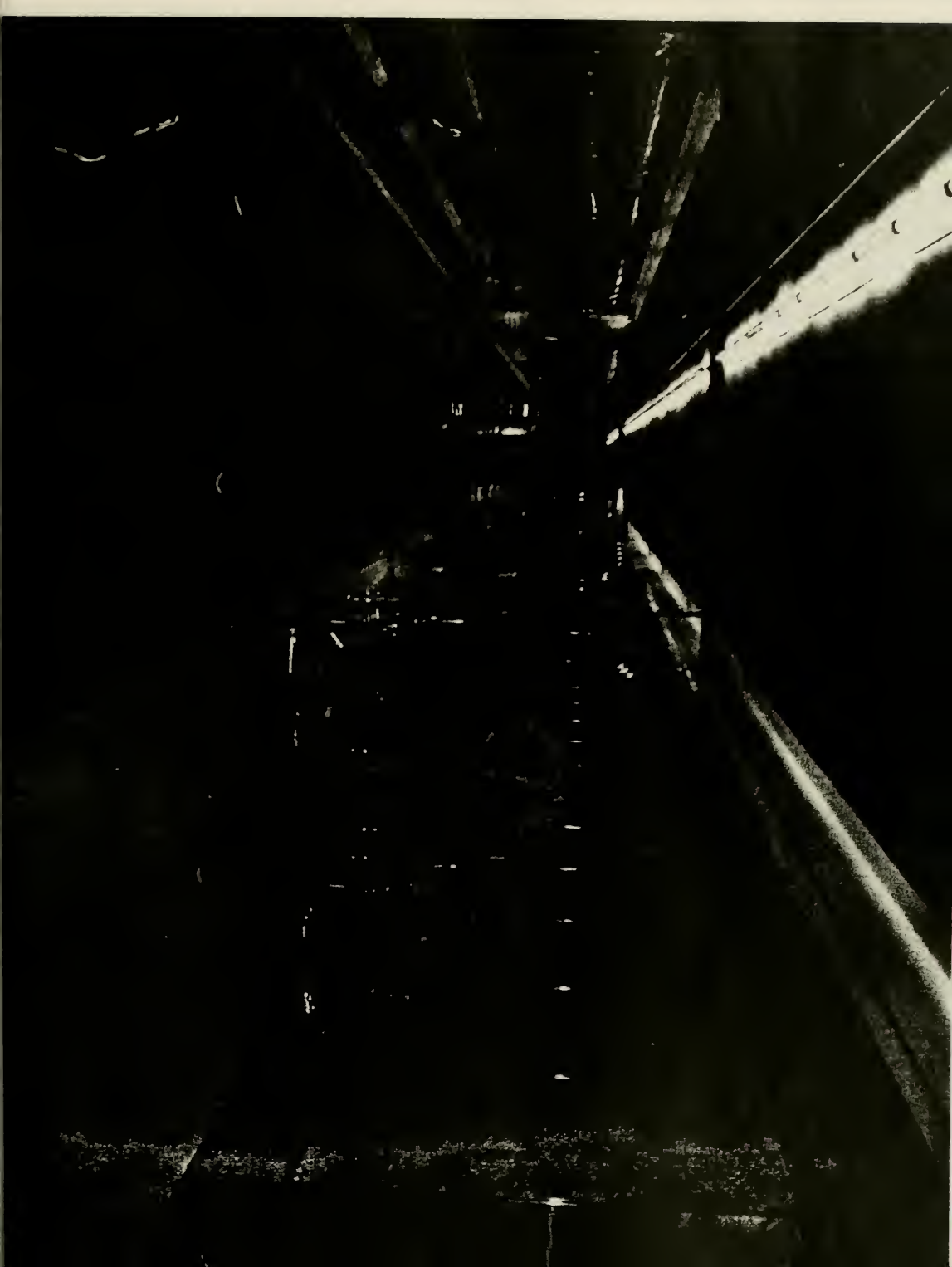
Sincerely,

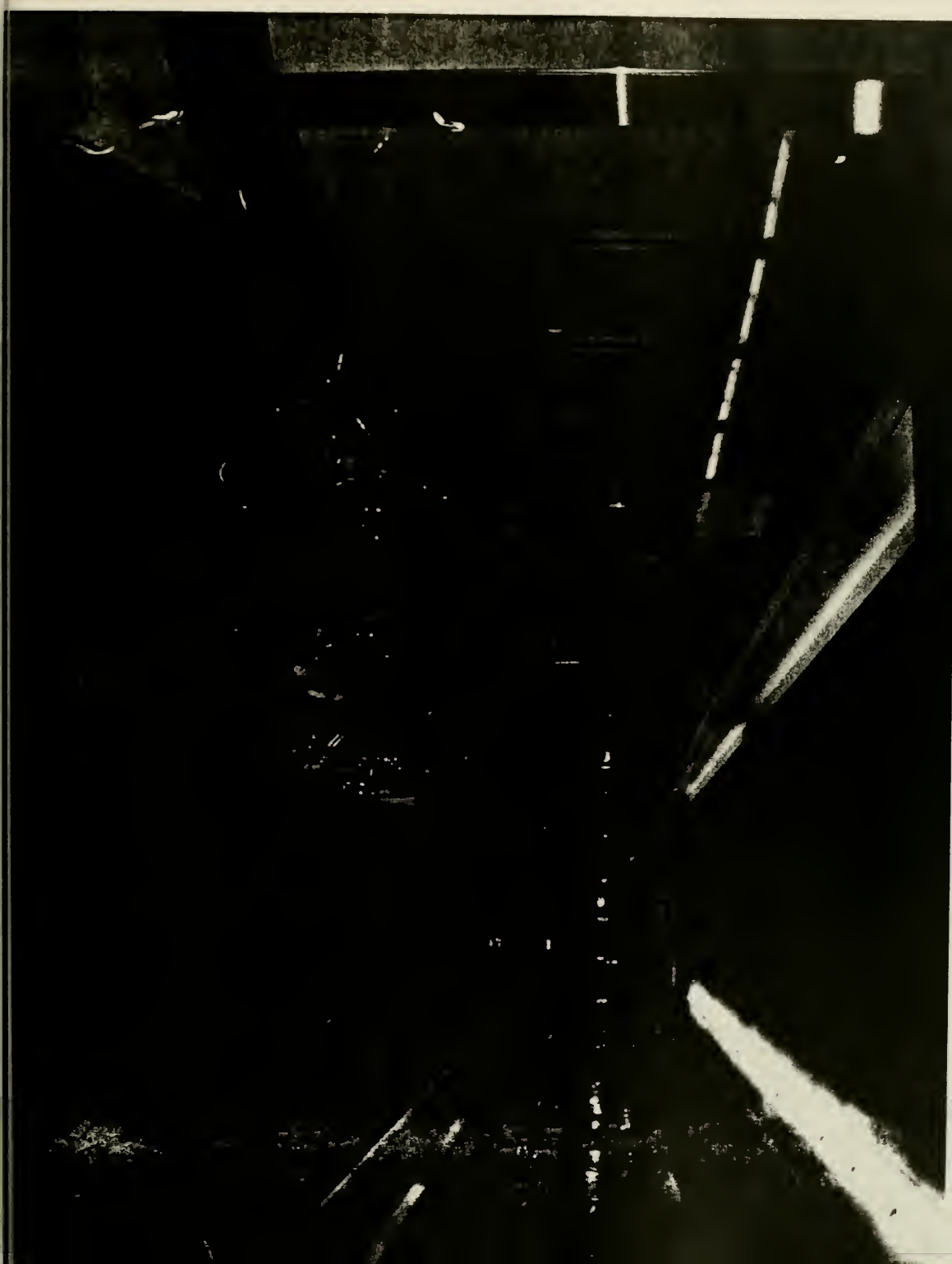

James Wajda
Regional Vice President
Prospect













SAN FRANCISCO AIRPORT COMMISSION



MINUTES

February 20, 2007

9:00 A.M.

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Vice President

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Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
February 20, 2007

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AIRPORT COMMISSION MEETING MINUTES

February 20, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President

Hon. Caryl Ito

Hon. Eleanor Johns

Hon. Rich Guggenhime

Hon. Linda S. Crayton, Vice President, arrived at 9:04 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 6, 2007 were adopted unanimously.

No. 07-0040

* * *

D. SPECIAL ITEM:

Item No. 1 was put over to the meeting of March 6, 2007.

1. 2006 William R. O'Brien Award for Employee Excellence

Resolution commending Dianne Owens-Lewis on her outstanding level of dedicated and professional service to the Airport.

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. 2006 Airport Commission Team Recognition Service Award

No. 07-0041

Resolution commending the Landscape Team's outstanding level of dedication and professional service to the Airport.

Mr. John Martin, Airport Director, introduced the Landscape Team as the Team of the Year. The Landscape Team was selected over several other nominated teams and the reason is readily apparent as you drive around the Airport and see the outstanding landscaping work they have done. This work was originally anticipated for a private contractor but this team took it on themselves.

Mr. Martin introduced the team ... Gardeners James Brassil, Marcee Cretarolo, Deverie Gehlen, Michael Homer, Justin Kael, Vicki Osborn-Gagen, Fred Ota, Maria Pavia, Joyce Petersen, Ken Quinton, Ernesto Viscarra, Danny Walters and David Weidner; Environmental Specialist Stuart Dake; Pest Control Specialist Nick Vicerra; and Park Section Supervisors Richard Griek and Randy Swanson.

Mr. Martin thanked them for their outstanding work.

Commissioner Mazzola told the team that they should be very proud of their work. It is just gorgeous and he receives comments on it all the time.

Mr. Richard Greik said that this is a great crew with a great attitude. He enjoys working with them but no team stands alone at the Airport. They have had exceptional help from the Plumbing Shop and Pavement and Grounds on all of the projects. The work would not have been completed without their help. He also thanked Senior Management and the Maintenance Superintendents for their understanding and support in overcoming the obstacles involved. They appreciate the opportunity to help our Airport rank among the best in the world and look forward to the next challenge. They all appreciate the honor.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Recognition for Outstanding Achievement for Work Performed on the 2006 Combined Charities Campaign

No. 07-0042

Resolution commending Rafael Centeno, Jean Caramatti, Virginia Sunday and Twila Tetz for their professional excellence and achievement in raising over \$1.29 Million for the City and County of San Francisco's 2006 Combined Charities Campaign.

Mr. Martin said that the Airport chaired the Campaign in 2005 and 2006. Rafael Centeno served as the Campaign Chair for the City overall, in addition to performing his regular duties, and this was the team that supported him in his overall efforts.

Tremendous gains were made City-wide. There was a 20% increase from 2004 to 2005. On top of that, there was an additional 64% increase in giving from 2005 to 2006 for a total of \$1.3 million. We had a doubling in the number of Leadership Givers (people who gave \$500 a year or more) over that two year period. The team, led by Rafael, reinvigorated the Campaign City-wide for the

benefit of all of the Charities in the City and throughout the area.

Commissioner Mazzola congratulated and commended the team, acknowledging that this is hard work.

Mr. Centeno thanked the Commission and the Director. It has been a privilege and an honor to serve as City-wide Chair for the past two years on this very important Campaign. It is the "Heart of the City" campaign and really represents the heart of City and County of San Francisco employees. We feel that this team, together with the partnerships we built ... labor, the Federations, department Coordinators and department heads ... sent the good message to all City employees that giving is good and giving for good reasons is even better.

It has been an outstanding experience for us for the past two years to be involved in this Campaign. We feel good about what we have accomplished, mostly because of the worthy charities that are recipients of these donations. We also feel good about the framework and organization that we leave behind for future campaigns. We are very confident and optimistic that future campaigns will experience the same level of success.

He thanked the Commission on behalf of the team.

Commissioner Mazzola said that it is easier to give money to people you trust and you have been successful because you are trusted by everyone.

Mr. Centeno thanked Commissioner Mazzola. He also thanked Virginia Sunday for her years of service ... for the past ten years she has served as department Coordinator for this Campaign and every year the Airport is among the top three City departments in giving. Jean's participation gave us a lot of new energy and new direction and focus. Twila was his organizational person. Had it not been for her he would have fallen apart along the way.

Commissioner Crayton also thanked the team.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

4. Plan of Finance and Necessary Amendments for Issue 2010A Refunding Bonds Up to \$350 Million

Mr. Ben Kutnick, Associate Deputy Director, Business and Finance, explained that the Airport currently has \$405 million in outstanding interest rate swaps as a result of entering into these swaps in 2004, and the underlying variable rate debt that the Airport issued in 2005 and 2006. The Airport to date has saved \$23.7 million in net present value. In the next 20 years, over the life of the refunding bonds, we expect to save approximately \$110 million.

The resolution before the Commission amends the 2010 bond resolution. It achieves two things ... it increases the authorization for refunding bonds from \$170 million to \$350 million, and it permits the refunding of bonds callable in 2009 which were not economically feasible at the time of the original resolution in October 2005.

The Plan of Finance has been reviewed by the Airport's Financial Advisory Committee which includes Deputy Controller Monique Zmuda, and the Director of the Mayor's Office of Public Finance Nadia Sesay. They are both in favor.

This will leave the Airport with 53% fixed rate debt, 27% variable rate hedged with swaps and cash, and 20% unhedged variable rate debt which is moderately conservative.

In December 2004 the Airport entered into swaps associated with Issues 32 and 33, both variable rate debt. The Airport has achieved \$11.4 million and \$12.3 million respectively in present value savings.

Today's action amends the 2010A sale resolution to allow refunding of bonds callable in 2009 which were not in the money at the time. This item also increases the authorized swap amount.

Commissioner Mazzola said that this simply increases the authorized amount we can swap.

Mr. Kutnick said that the market has changed since October 2005 when we last sought authorization from the Commission. It will allow us to achieve more savings ... approximately \$64 million in present value and \$9 million in gross savings over the life of the refunding bonds which we are planning to issue.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

5. Supplemental Appropriation Authorizing Use of the Airport Operating Fund and Commercial Paper Proceeds to Fund Interest Rate Swap Termination Payments Up to \$32 Million

Mr. Kutnick explained that staff is requesting approval of up to \$32 million in expenditure appropriations to have the ability to make Swap termination payments should the need arise.

There are very limited circumstances under which a swap termination would be made. The Airport could terminate a swap at any time at our discretion and without penalty. If interest rates drop below the swap rate which would average 3.44%, the Airport would make a payment. The only circumstance under which we would choose to terminate a swap is if there was an overall economic benefit to the Airport. The Swap Agreement currently has a market value of \$5.5 million.

There are limited circumstances under which the Airport would be forced to make a termination payment. SFO's bond rating, which is currently A+ with Moody's, A with Fitch and Standard and Poor's, would have to drop from an A to an A- to a BBB+ to BBB and below BBB. At the same time, the bond insurers rating would have to drop below A. While it is unlikely that those events would occur, staff feels it is prudent to have an appropriation in place to make a payment if the Airport chooses to do so, or in the unlikely event we are required to.

The problem with the supplemental appropriation process is that it takes four to six months to achieve. If the Airport decides to terminate a swap for economic gain, the market could change in the six months that it would take to get a supplemental. It is imprudent for us to wait that long. Therefore, we are asking for advance approval to put that authority in place today. We have swap insurance in the event we have to make a payment. The insurer would step in and make a payment for us. We would then have approximately 30 days in which to pay the bond insurer.

Commissioner Ito asked if the four to six month time frame is because of the Finance Committee.

Mr. Kutnick responded that it is not. It's just a long, slow process. He has done supplemental appropriations for 30 years and the shortest he has ever done one was 10 weeks, and that was with the Mayor's Office and the City Attorney's Office walking documents through City Hall.

The typical path it takes is the Financial Advisory Committee, a review with the airlines, to the Mayor's Office, to the Controller's Office to write legislation, back to the Mayor's Office, to the Board where it is assigned to Committee, to the Budget Analyst where three or four weeks is spent on review and writing a report, back to the Board of Supervisors Committee, then to the full Board for two readings, and finally to the Mayor where he has 10 days to sign it.

Commissioner Johns assumed that we have unreserved funds but we are

increasing the amount.

Mr. Kutnick explained that we currently have a \$94 million unreserved fund balance. We would appropriate approximately \$32 million of that \$94 million, take it out of unreserved and set it aside for this specific purpose.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 11, was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Award of Contract No. 3832R2 - West Underpass Barrier Rail Replacement Power Engineering Contractors, Inc. - \$316,800

No. 07-0045 Resolution to award Contract No. 3832R2, West Underpass Barrier Rail Replacement to the lowest responsive, responsible bidder, Power Engineering Contractors, Inc., in the amount of \$316,800.

7. Bid Call - Contract No. 3570B - Taxiway L Reconstruction - Phase II

No. 07-0046 Resolution approving the scope, budget and schedule for Contract No. 3570B, Taxiway L Reconstruction, Phase II, and authorizing the Director to call for bids when ready.

8. Bid Call - Contract No. 8682 - Superbay Hangar Roof Repair - Phase 2

No. 07-0047 Resolution approving the scope, budget and schedule for Contract No. 8682, Superbay Hangar Roof Repair - Phase 2, and authorizing the Director to call for bids when ready.

9. Competitive Selection Process for the International Terminal Automated Teller Machine Leases "A" and "B"

No. 07-0048 Resolution approving the proposed Minimum Qualification Requirements and Lease Specifications, and authorizing staff to conduct an Informational Conference for the International Terminal Automated Teller Machine Lease "A" and "B".

Commissioner Crayton asked who currently has this lease.

Mr. Martin explained that Travelex has this lease.

Mr. Kutnick said that Travelex does not want to continue with the agreement and will probably not bid.

Commissioner Johns said that there is no mention of the rates that will be charged customers. Will that be done during the negotiation process and are there any guidelines?

Mr. Kutnick responded that it will be part of the bid process.

Mr. Martin said that he was fairly certain that the same provisions will be retained ... the tenant will have to obtain Airport approval to go beyond what the City uses as a standard. He will verify that and get back to the Commission.

10. Bid Call - Contract No. 8735 - Terminal Companion Restroom (TCR)

No. 07-0049 on approving the scope, budget and schedule for Contract No. 8735, Terminal Companion Restroom (TCR), and authorizing the Director to call for bids when ready.

Commissioner Ito asked if these are new requirements. Why was this not done when we were building our restrooms?

Mr. Ernie Eavis, Deputy Director, Facilities responded that it is not a legal requirement but something the public wants us to do. They were placed in the Domestic Terminals within the last couple of years and we wanted to make this provision in the International Terminal as well.

11. Acceptance and Expenditure of Transportation Security Administration (TSA) Funding for the K-9 Explosive Detection Team Program - Up to \$355,174

No. 07-0050 on authorizing the acceptance and expenditure of Transportation Security Administration (TSA) funding of the K-9 Explosives Detection Team Program of up to \$355,174.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:23 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

March 6, 2007

9:00 A.M.

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SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
March 6, 2007

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
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D.		SPECIAL ITEM:		
	1.	2006 William R. O'Brien Award for Employee Excellence - Dianne Owens Lewis	07-0052	4-5
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Prospect Employees		5
		Passenger Survey		5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Modification No. 6 to Professional Services Contract with Jacobs Consultancy - Airport Management Consulting	07-0053	5-6
	3.	Modification No. 2 to Smith, Dawson and Andrews Federal Legislative Advocacy Contract	07-0054	7
	4.	Modification No. 2 to Marc Associates Congressional Advocacy Contract	07-0055	7
	5.	Modification No. 3 to Edelstein and Gilbert State Legislative Advocacy Contract	07-0056	7-8
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Modification No. with Primeflight Aviation Services Inc. for General Security Services	07-0057	8
	7.	Bid Call - Contract 8255C - Waterline Inspection and As-needed Utility Repairs	07-0058	8
	8.	Lease with All Nippon Airways Co., for Office		

Space at West Field Cargo Building No. 1 07-0059 8

H. NEW BUSINESS: 8-9

I. CORRESPONDENCE: 9

J. CLOSED SESSION:

Potential Litigation 9

K. ADJOURNMENT: 9

AIRPORT COMMISSION MEETING MINUTES

March 6, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Gughenime

Absent:

Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 20, 2007 were adopted unanimously.

No. 07-0051

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Gughenime Ito. The vote to approve was unanimous.

1. 2006 William R. O'Brien Award for Employee Excellence

No. 07-0052

Resolution commending Dianne Owens-Lewis for her outstanding level of dedicated and professional service to the Airport.

Mr. John Martin, Airport Director, introduced Dianne Owens-Lewis as the recipient of the 2006 William R. O'Brien Award for Employee Excellence. Ms. Owens-Lewis has been employed with the Airport since November 1998. In her role as a Human Resources Manager, Ms. Owens-Lewis directed the Airport's participation in the City's Management Classification and Compensation Program (MCCP), a major DHR-directed classification project.

Her devotion to duty and outstanding service exemplifies the standard that the San Francisco International Airport has set for itself.

Ms. Owens-Lewis thanked the Commission and the Director for this honor, as well as Deputy Director Theresa Lee, Rafael Centeno and Dolores Blanding for their support.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Johns asked about the status of the wheelchair pushers who work for Prospect.

Mr. Martin responded that staff is following up on the issue.

Commissioner Johns suggested that more detailed questions on the annual passenger survey might be helpful.

Mr. Martin responded that staff will follow up.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 6 to Professional Services Contract with Jacobs Consultancy - Airport Management Consulting - Increase Scope of Work for Retail Master Planning and General Airport Management Consulting - \$200,000

No. 07-0053	Resolution approving Modification No. 6 to Professional Services Contract with Jacobs Consultancy - Airport Management Consulting to increase the scope of work for Retail Master Planning and General Airport Management Consulting and increase the contract amount by \$200,000 for a total not-to-exceed contract amount of \$1,150,000.
-------------	--

Mr. Leo Fermin, Deputy Director, Business and Finance, explained that funding is being requested for the next increment of work under the Jacobs Consultancy contract for continuing work on our retail concessions program, and for work in areas of fee structures and financial modeling. Jacobs Consulting was previously called Leigh Fisher Associates.

In June of last year, the Commission approved \$150,000 for work on the Retail Master Plan in FY 2006/2007. As with the Food and Beverage Program, we want to significantly improve our retail concessions program. As current leases expire at different times in the future we plan to implement a first class program which includes national brands, as well as unique, interesting and successful San Francisco and Bay Area retail concepts and brands.

The \$150,000 the Commission approved last year covered a number of tasks which are in progress ...

- Market assessment including passenger survey of preferred retail concepts and an industry survey of worldwide retail trends at airports.
- Preparation of two location plans (space requirements, potential concepts, sales and revenue benchmarks) based on the current concessions footprint, on a best case scenarios footprint including space reallocation where possible.
- Identification of the ideal retail mix of local, regional, national and international tenants and strategies for attracting them. Preliminary work on storefront design guidelines for Terminal 3.
- Development of business terms and phasing plan to implement program.

An additional \$150,000 for the next fiscal year is being requested to accomplish the following:

- Support planning for long term retail concession plan. After development of two distinct space plans, Jacobs will help us consider cost benefit analysis of certain base building changes by developing long term sales and revenue projections and testing different business deals and packaging of the individual spaces. For example, if the optimum plan calls for building modifications such as widening the concourse, etc.
- Prepare tenant outreach and education programs.
- Create strategies for attracting local retail businesses.
- Development of new design criteria for future retail. Develop new design guidelines manual which outlines storefront and signage guidelines, and material guidelines for the interior and storefronts.

The \$150,000 also includes rental car analyses.

- Analysis of financial impact of migrating to clean air rental car vehicles.
- Develop strategy for new rental car concession bid, including clean air vehicles requirements. Assist staff in gaining support in the RAC industry for clean air vehicle requirements and developing an RFB document that will garner desirable bids.

As with last year, we are requesting \$50,000 for any ad hoc analysis or survey work we anticipate may arise during the year. At the very least, we will need some assistance on jet fuel pricing controls at the Executive Air Terminal, industry surveys on aircraft parking rates, ground transportation trip fees and other matters that arise relative to rates and charges.

Item Nos. 3, 4 and 5 were called together. They were moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 2 to the Smith, Dawson and Andrews Federal Legislative Advocacy Contract to Extend the Term for One Year (July 1, 2007 - June 30, 2008) and Increase the Total Contract Amount by \$175,000

No. 07-0054 Resolution approving Modification No. 2 to the Smith, Dawson and Andrews Federal Legislative Advocacy contract to facilitate SFO's interaction with the U.S. Department of Transportation, the Federal Aviation Administration and the Transportation Security Agency. Modification No. 2 will extend the term of the contract for one year (July 1, 2007 to June 30, 2008) and increase the total contract amount by \$175,000.

Mr. Martin requested approval of this modification to the Airport's Government Relations Program contract with Smith, Dawson and Andrews in order to continue a governmental relations program with the U.S. Department of Transportation, the Federal Aviation Administration and the U.S. Department of Homeland Security.

4. Modification No. 2 to the Marc Associates Congressional Advocacy Contract to Extend the Term for One Year (July 1, 2007 - June 30, 2008) and Increase the Total Contract Amount by \$75,000

No. 07-0055 Resolution approving Modification No. 2 to the Marc Associates Contract for on-going congressional advocacy in Washington, DC. Modification No. 2 will extend the term of the contract for one year (July 1, 2007 to June 30, 2008) and increase the total contract amount by \$75,000.

Mr. Martin requested approval of Modification No. 2 to the Marc Associates Congressional Advocacy contract in-order to continue on-going communication with our Congressional delegation in Washington, D.C.

5. Modification No. 3 to the Edelstein and Gilbert State Legislative Advocacy Contract to Extend the Term for One Year (July 1, 2007 - June 30, 2008) and Increase the Total Contract Amount by \$75,000

No. 07-0056 Resolution approving Modification No. 3 to the Edelstein and Gilbert State Legislative Advocacy Contract for State Legislative advocacy services in Sacramento, CA. Modification No. 3 will extend the term of the contract for one year (July 1, 2007 to

June 30, 2008) and increase the total contract amount by \$75,000.

Mr. Martin requested approval of Modification No. 3 to the Airport's State Legislative Advocacy contract with Edelstein and Gilbert, exercising the third of four one-year options.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 8, was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

6. Modification No. 1 with Primeflight Aviation Services, Inc. for General Security Services Extending the Term up to Five Months through November 30, 2007 and Increasing the Total Not-to-Exceed Contract Amount by \$187,500

No. 07-0057

Resolution approving Modification No. 1 to contract with Primeflight Aviation Services, Inc., for general security services extending the contract term up to five months through November 30, 2007 and increasing the contract amount by \$187,500 for a not-to-exceed total contract amount of \$562,500.

7. Bid Call - Contract No. 8255C - Waterline Inspection and As-Needed Utility Repairs

No. 07-0058

Resolution approving the scope, budget and schedule for Contract No. 8255C, Waterline Inspection and As-Needed Utilities Repairs and authorizing the Director to call for bids when ready.

8. Lease with All Nippon Airways Company, Ltd., for Office Space at West Field Cargo Building No. 1

No. 07-0059

Resolution to approve lease with All Nippon Airways Company, Ltd., for office space at West Field Cargo Building No. 1.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

1. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

March 20, 2007

9:00 A.M.

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C.		ADOPTION OF MINUTES:		
		Regular meeting of March 6, 2007	07-0060	4
D.		ITEMS INITIATED BY COMMISSIONERS:		4
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Revised Five-Year Capital Plan for FY 2007/08 to FY 2011/12	07-0061	4-5
	2.	Ten Year Capital and Facilities Maintenance Plan for FY 2007/08 to FY 2016/17	07-0062	4-5
	3.	Award Contract 8433E - Activation of Boarding Area A Gates A1, A3 & A5 - Passenger Loading Bridges & Aircraft Systems - ThyssenKrupp Airport Systems, Inc.	07-0063	6-7
	4.	Modification No. 6 to Contract 5703A, Phase II - AirTrain Operations & Maintenance - Bombardier Transportation (Holdings) USA, Inc.	07-0064	7-8
	5.	Authorization to Conduct a Competitive Selection Process for Boarding Areas B and G Specialty Coffee Lease		8
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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J.	ADJOURNMENT:		10

AIRPORT COMMISSION MEETING MINUTES

March 20, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Hon. Linda S. Crayton, Vice President arrived at 9:08 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 6, 2007 were adopted unanimously.

No. 07-0060

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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 and 2 were called together. Item Nos. 1 and 2 were moved by Commissioner Guggenheimer and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Revised Five-Year Capital Plan for FY 2007/08 to FY 2011/12

No. 07-0061 Resolution to 1) approve revisions to the Airport's Five-Year Capital Plan for FY2007/08 to FY2011/12, and 2) authorize the Airport to seek appropriation authority of \$61,042,599 for funding in FY 2007/08.

Mr. Leo Fermin, Deputy Director, Business and Finance, explained that the Airport's Five-year Capital Plan is a rolling five year plan which is updated every year. Last year's updated Plan totaled \$817.6 million. This year, the updated Plan totals \$811.1 million, or \$6.5 million less.

The three largest additions to the Plan include:

- \$10 million for the air cargo EDS screening project. This is the pilot program in which Department of Homeland Security funds \$15 million to Lawrence Livermore, and then SFO receives a \$10 million reimbursement for the design and buildout of the program.
- \$5.4 million for two projects improving the baggage handling systems in the International Terminal.
- \$3.5 million for an energy efficient regenerative braking system for the AirTrain fleet.

Item No. 2 is a companion measure in response to City requirements. As required by the City's Administrative Code, in the next item on the calendar, we have added five more years and included facilities maintenance requirements to develop a 10-Year Capital and Facilities Maintenance Plan, which totals \$901 million in capital projects and \$122 million in facilities maintenance costs. Every fiscal year, facilities maintenance costs are provided for in the Airport's annual Operating Budget.

As part of this package, in Item No. 1, we are also seeking approval for a \$61 million appropriation request to put in place funding for FY 2007/08 for the next group of Capital Projects which will require funding for the next fiscal year.

Commissioner Ito noted Exhibit 2 on the Five-Year Capital Projects Plan, and asked if the Terminal 1 restroom renovation was money the Commission approved to upgrade for disability access.

Mr. Ernie Eavis, Deputy Director, Facilities, responded that this project will provide new water efficient fixtures, finishes, and accessories to renovate existing restroom facilities in Terminal 1. It is not the companion restrooms approved by the Commission at the last meeting.

2. Ten Year Capital and Facilities Maintenance Plan for FY 2007/08 to FY 2016/17

No. 07-0062

Resolution approving the Airport's Ten-Year Capital and Facilities Maintenance Plan for FY 2007/08 to FY 2016/17.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Award Contract 8433E - Activation of Boarding Area A Gates A1, A3 & A5 - Passenger Loading Bridges & Aircraft Systems - ThyssenKrupp Airport Systems, Inc. - \$6,304,380

No. 07-0063 Resolution awarding Contract 8433E, Activation of Boarding Area A Gates A1, A3 & A5 - Passenger Loading Bridges & Aircraft Systems to ThyssenKrupp Airport Systems, Inc., in the amount of \$6,304,380.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this resolution awards Contract No. 8433E, the Activation of Boarding Area A Gates A1, A3 and A5, Passenger Loading Bridges and Aircraft Systems to ThyssenKrupp Airport Systems Inc., for the procurement and installation of jet bridges and related equipment.

This work supports the program to activate the three remaining gates ... A1, A3 and A5 in the International Terminal Building which were deferred because old Boarding Area A was still operational. The added gate capacity will allow the Airport to continue to meet the growth in international traffic, as well as accommodate additional domestic activity within the International Terminal.

The first phase of the Program is complete, with the demolition of the Old Boarding Area A. In progress work includes the hydrant fueling system extension to these gates and apron and taxiway reconstruction. The scope of work under this contract will be phased with the apron reconstruction work, and will consist of providing two jet bridges per gate as well as associated ground power and preconditioned air systems. The layout of the gates has been adjusted based on the gate layout studies by Airport Planning to accommodate up to five narrow body aircraft or 3 wide-body aircraft, including an A380 at Gate A1.

The final contract to be let as part of the Program will be presented for the Commission's consideration at the April 4th meeting. This contract will award the architectural scope, which includes the gateroom buildout at Gates A1, A3, and activation of a deferred baggage claim carousel in the International Terminal.

The Program is on schedule for an October completion.

ThyssenKrupp submitted the only bid for this contract. Their bid of \$5,842,440 is in line with the engineer's estimate of \$5,750,000.

The bid amount contains an allowance of \$1 million for additional jet bridge procurement and installation at as yet to be determined locations. This will provide the Airport flexibility of adding jet bridges at locations around the existing terminal facility to make the most efficient use of terminal and gate room space. The locations to receive the jet bridges will be based on the study in progress by Airport Planning.

The Human Rights Commission has approved a waiver of the LBE subcontracting requirements due to the specialized nature of the work. They have provided an initial favorable evaluation of ThyssenKrupp's HRC documents. The Airport will

proceed with the award once the final HRC determination has been made.

The award of the base contract scope is within the overall Activation of A Gates program budget. Funding for the allowance will be determined once a need for additional jet bridges is established.

Commissioner Crayton did not understand the \$1 million.

Mr. Satero responded that the \$1 million is an allowance in the contract. Since it is all similar work ... jet bridge procurement and installation ... we threw it in the contract to give us flexibility to add gates. We were able to squeeze in a gate at certain areas ... Boarding Area B has been identified as a potential location for adding a jet bridge. Funding for the \$1 million has yet to be determined. It may be available in this program or other capital sources.

Mr. Satero said that he needed to differentiate between the \$1 million and the additive alternate \$461,000. The additive alternate provides for the additional preconditioned air and 400hz that gives us the flexibility of adding a narrow body position at Gate A3. It is completely separate and apart from the allowance, but it gives us the five aircraft parking positions at the three Gates.

This is a very similar situation to the A380 award, which was also a sole source to ThyssenKrupp. They were able to meet 12B compliance for that contract and we believe they will satisfy 12B here. He was not certain if it is by a waiver, or if they meet the requirements, but he believes they do meet the requirements.

Commissioner Ito asked if the \$1 million was included in the base bid.

Mr. Satero responded that the \$1 million is included in the \$5.8 million base bid.

Item No. 4 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 6 to Contract 5703A, Phase II - AirTrain Operations and Maintenance - Bombardier Transportation (Holdings) USA, Inc. - \$2,115,087

No. 07-0064	Resolution approving Modification No. 6 to Contract 5703A, Phase II - AirTrain Operations & Maintenance with Bombardier Transportation (Holdings) USA, Inc., in the amount of \$2,115,087 for a new contract amount of \$28,808,883, to provide for the annual Economic Price Adjustment and Airport requested changes. Funding will be provided from the Airport's Operating Budget.
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Mr. Satero explained that this Modification provides for various Airport-requested changes and the annual base contract escalation for materials and labor.

The original contract, awarded in 1998, provides for both Phase I, procure, install,

test and demonstrate, and Phase II operation and maintenance. Bombardier has been operating the system since its opening in February 2003. In November of last year, the Commission awarded Year 2 of the three Option Years.

This Modification will provide for cost escalation of materials and labor, which is calculated based on the contract provisions utilizing labor rates for Electricians and Stationary Engineers in San Francisco. Materials escalation is based on the CPI and indices established for machinery and equipment by the US Bureau of Labor Statistics.

The Modification also provides for various change orders related to improving the customer experience and improving the reliability of AirTrain-related Airport systems, along with payment of the monthly incentive bonus, if 99.8% availability is achieved.

Both the initial three-year term for O&M services as well as the three one-year options were competitively bid as part of the original contract. Airport staff has analyzed the cost effectiveness of continuing with this contract through the Option years and has determined that the Airport realizes significant economic and operational benefits.

For the month of February the AirTrain system achieved 99.81% availability, which resulted in the payment of the incentive bonus for this month. To date, AirTrain has operated at an availability of 99.67%, exceeding the contract minimum of 99.5%. If Bombardier falls below 99.5% on a monthly basis then they get a disincentive hit from the payment as well.

Funding will be provided from the Airport's Operating Budget.

The Human Rights Commission has determined that Bombardier has met its Phase II MBE/WBE subcontractor participation requirement of 8%.

Commissioner Ito said that she was impressed with the availability.

Item No. 5 was removed from the calendar without discussion.

5. Authorization to Conduct a Competitive Selection Process for the Boarding Areas B and G Specialty Coffee Lease

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to conduct a competitive selection process for the Boarding Areas B and G Specialty Coffee Lease through a Request for Proposal.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 9, was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Award of the Boarding Area F Hub Specialty Store Lease A - Air Sun dba Sunglass Hut - Minimum Annual Guarantee of \$225,000

No. 07-0065 Resolution awarding the Boarding Area F Hub Specialty Store Lease A to Air Sun dba Sunglass Hut for a base rent of the minimum annual guarantee of \$225,000 for the first lease year or tiered percentage rent, whichever is greater, and a term of five (5) years with two one-year options exercisable at the sole discretion of the Airport, and directing the Commission Secretary to request approval of the award from the Board of Supervisors.

7. Award of the Boarding Area F Hub Specialty Store Lease B - RDG Concessions, LLC - Minimum Annual Guarantee of \$95,000

No. 07-0066 Resolution awarding the Boarding Area F Hub Specialty Store Lease B to RDG Concessions, LLC for a base rent of the minimum annual guarantee of \$95,000 for the first lease year or tiered percentage rent, whichever is greater, and a term of five (5) years with two one-year options exercisable at the sole discretion of the Airport.

8. Approval of the Remaining Two One-Year Options for Commercial Paper Dealer Agreements - RBC Dain Rauscher, J.P. Morgan and Lehman Brothers

No. 07-0067 Resolution approving the remaining two one-year options for Commercial Paper Dealer Agreements with RBC Dain Rauscher, J.P. Morgan and Lehman Brothers.

9. Airport Improvement Program - Project No. 3-06-0221-38 (Grant No. 38) Project Application

No. 07-0068 Resolution authorizing the Airport Director to execute and file a project application with the Federal Aviation Administration (FAA) for Federal assistance.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the

Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:25 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding a settlement of litigation entitled American Contractors Indemnity Company v. Transition Contractors, Inc., et al, San Francisco Superior Court - Unlimited Jurisdiction Case No. CGC 05-448305; a settlement of litigation entitled CCSF v. ARCO, et al, United States District Court, Northern District of California, Case No. 97-2965MMC; and a settlement of litigation entitled In re: US Airways, Inc., et al., United States Bankruptcy Court for the District of Virginia, Case No. 04-13819; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

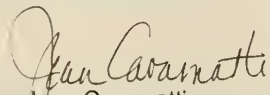
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:37 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

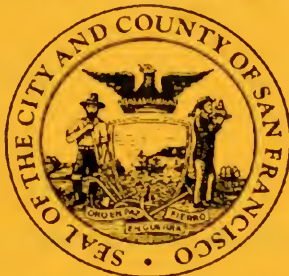
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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:38 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

April 3, 2007

9:00 A.M.

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President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
April 3, 2007

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D.		ANNOUNCEMENT BY SECRETARY:		4
E.		ITEMS INITIATED BY COMMISSIONERS:		4-5
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	1.	Award Contract 8433D - Activate Boarding Area A Gates A1, A3, & A5 - Interior Architectural Improvements - Galliera, Inc., dba Trico Construction		5
	2.	Authorization to Enter into Funding Agreement with California State Parks Foundation for Wetlands Mitigation	07-0072	5-7
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	4.	CTX-9000 Explosives Detection Machines - Transfer Ownership to TSA		9
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Modification No. 3 to Professional Services Contract No. 04-0127 for Airline Liaison Services - Airport & Aviation Professionals	07-0074	9
	6.	Tie Rack U.S. Inc.'s North Terminal Concourse Ties, Scarves and Accessories' Store Lease No. 02-0093 - Two-Year Option	07-0075	9
	7.	Modification No. 8 to Professional Services Contract with San Francisco Convention & Visitors Bureau for Ongoing Development and and Implementation of International Strategic Marketing Alliance	07-0076	10-11

8.	Modification No. 4 to Route 397 Owl Bus Service with SamTrans	07-0077	11
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K.	ADJOURNMENT:		12

AIRPORT COMMISSION MEETING MINUTES

April 3, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Rich Guggenheimer

Absent:	Hon. Eleanor Johns
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 20, 2007 were adopted unanimously.

No. 07-0071

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D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution Nos. 07-0069 regarding a settlement of litigation entitled American Contractors Indemnity Co. v Transition Contractors, Inc., et al in the amount of \$138,728.15; and, 07-0070 regarding the settlement of litigation relating to re US Airways, Inc., et.al., debtors case No. 04-13819 in the amount of \$1,000,000; and the settlement of litigation entitled CCSF v ARCO, Case No. C-97-2965 MMC (N.D. Cal) in the amount of \$32,187.96 plus 1.89% of future environmental clean-up costs at the closed session of March 20, 2007.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There was no discussion by the Commission.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was removed from the calendar without discussion.

1. Award Contract 8433D - Activation of Boarding Area A Gates A1, A3 & A5 - Interior Architectural Improvements - Galliera, Inc., dba Trico Construction - \$3,643,583

No. 07-00	Resolution awarding Contract 8433D, Activation of Boarding Area A Gates A1, A3 & A5 - Interior Architectural Improvements to Galliera, Inc., dba Trico Construction, in the amount of \$3,643,583.
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Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Authorization to Enter into a Funding Agreement with the California State Parks Foundation for Wetlands Mitigation - Not-to-Exceed \$4,000,000

No. 07-0072	Resolution authorizing the Airport Director to enter into a Funding Agreement with the California State Parks Foundation to provide funds for the creation of 12 acres of new wetlands, as mitigation for wetlands filled for Master Plan and Airfield Improvements, in the amount not-to-exceed \$4,000,000.
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Mr. Ivar Satero, Deputy Director, explained that this item authorizes the Airport Director to enter in a Funding Agreement with the California State Parks Foundation to fund the creation of 12 acres of wetlands at Yosemite Slough Wetland Restoration Project, in an amount not to exceed \$4 million.

As part of the Airport's Master Plan and airfield improvement work, the Airport filled approximately 31 acres of wetlands at various sites to accommodate the construction of new facilities. Under the Regional Water Quality Control Board Order No. 99-0193 providing for the filling of wetlands, the Airport is obligated to create 84 acres of wetlands at various sites within San Francisco and in the South Bay.

All wetlands creation work was completed on schedule in accordance with the Board Order, with the exception of the Hunters Point Parcels B and E sites. The Parcel B 3-acre obligation was required to be completed by December 2000 and the Parcel E 15-acre obligation was required by December 2006. The Airport was unable to complete this work due to the delay in transfer of the Hunters Point Naval Shipyard to the City.

Due to the Airport's inability to complete the wetlands requirements per Board Order, Airport staff, with participation of the City Attorney's Office, entered into negotiations with the California State Parks Foundation regarding the Airport's involvement in Phase A of the Yosemite Slough project. As a result of the negotiations, the Airport's participation will provide the Airport with 12-acres of credit, at a favorable \$333,000 per acre cost to the Airport. With the Airport's contribution, the Phase A project will be near fully funded and is anticipated to begin construction this summer with a forecast completion by the end of 2008.

Funding for the project will come from the Airport's Capital Improvement Program. We have budgeted \$2 million in the current fiscal year and have proposed a budget of \$2 million in the next fiscal year CIP.

By becoming a funding partner on this project, the shared goal of the Mayor's Office, the Regional Board, the Airport, CalParks and the Environmental Justice community to maintain the wetlands obligation in the Hunters Point area is achieved, while providing the Airport with a significant amount of acreage towards the outstanding Board Order obligation.

To fulfil the remaining wetlands mitigation obligation, staff is investigating additional opportunities in the Hunters Point area, including the proposed Parcel E park and Wetlands project sponsored by ArcEcology, which provides up to 20 acres of wetlands creation. The Airport is working on locating an alternative site in the event this project does not proceed as planned.

Staff will also be surveying the existing Airport wetlands creation sites to determine whether any excess acreage has been created, which may be applied to the Airports remaining obligation.

The Regional Water Quality Control Board has provided their concurrence with the proposed plan. Staff will return to the Commission for additional funding authorization once the proposal to complete the remaining obligation is more fully developed. The Airport will then request that the Regional Board prepare an amendment to the Board Order which encapsulates the plan to complete the remaining obligation.

Commissioner Ito asked how much time we have to complete this project.

Mr. Satero responded that the Board Order deadlines have passed. New deadlines will have to be negotiated with the Board. We will have deadlines attached to this project, as well as whatever other project meets our total obligation. Because we missed the initial deadlines, we will need to negotiate a temporal loss penalty which will be some additional acreage because we did not meet the original obligation.

Commissioner Mazzola asked if the deadline was missed due to the Navy's failure to turn the property over to the City.

Mr. Satero said that was correct. The delay was due to the clean-up of the site.

Commissioner Mazzola asked if our work will also include clean-up.

Mr. Satero responded that it will not. The clean-up is taken care of by other parties. The only cost we will incur will be the actual cost to create the wetlands.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Amendments to the Fiscal Year 2006/07 Airport Rates and Charges

No. 07-0073

Resolution adopting amendments to FY 2006/07 Airport Rates and Charges: (1) change Domestic Turn Fee Rate from a flat rate of \$560 for narrow-body aircraft to a tiered structure ranging from \$560 to \$350 for escalating flight levels; (2) adjust the Domestic (Central) Garage Rate from \$28.00 for the first day/\$35 for subsequent days to a flat rate of \$33; (3) reduce the International A/G Garage rate from \$22 to \$20; and (4) reinstatement of the \$13.00 long-term parking rate from \$12.00.

Mr. Leo Fermin, Deputy Director, Business and Finance explained that we are proposing to adjust rates for narrow body domestic flights operating out of the International Terminal and, the daily public parking rates in the Central, International Terminal and Long Term garages.

Since 2004, a flat fee of \$560 per turn has been charged on narrow body domestic flights operating out of the International Terminal. We now recommend that this turn fee step down at different levels of flight activity each month in order to approximate the cost which a domestic carrier would incur if it were operating in the Domestic Terminals instead. We've developed this tiered fee structure in consultation with both the international airlines in the International Terminal, as well as the larger airline community at SFO.

Next, we are recommending that we adjust public parking rates in conjunction with a marketing campaign to coincide with new carriers starting service and the peak summer travel season. In the Central Garage, the daily rate currently is \$28 for the first day, thereafter it increases to \$35 per day. We recommend converting this to a flat \$33 daily rate for all days. In the International A and G garages, we would like to lower the daily rate from \$22 to \$20 to encourage patronage. This would be an "introductory" summer promotional rate. Finally, when we opened the Long Term Garage in June last year, we lowered the daily rate from \$13 to \$12 to help promote the new Long Term Garage. Now that we are nearing the end of the first year of operation of the new garage, we recommend reinstating the former \$13 daily rate.

At the end of the summer, we will evaluate these public parking rates and come back to the Commission for approval of any further fine-tuning of our parking rate structures.

Commissioner Crayton asked how our parking rates compare to San Jose and Oakland.

Mr. Fermin responded that our short term rates will be \$33 per day and Oakland and San Jose are \$32 and \$30, respectively. However, our long term rate is \$13 per day compared to Oakland's \$19 and San Jose's \$15.

Commissioner Ito asked if we were anticipating higher usage this summer due to the lower rates.

Mr. Fermin responded that we are hoping our new passengers will become aware of our International Terminal garages and that they will attract overnight parkers. Currently, less than 3% of the parkers in the International garages remain overnight.

Mr. Martin said that demand exceeds capacity in the long term parking facility, but we have a lot of capacity in the International Terminal garages. We want to shift some of the demand to those garages by encouraging domestic passengers to take AirTrain to the domestic terminals. We want to make people aware of the option.

Commissioner Crayton asked what medium will be used.

Mr. Fermin responded that we will build on last years marketing campaign to open the long term garage to create awareness of these parking options. We will use billboards on Highway 101, garage banners, on site campaigns, radio promotions on KFOG and KOIT, as well as advertisements in the Examiner and Sing Tao newspapers and other collaborative type barter programs with various companies.

Commissioner Ito asked about the airline rates and charges for the International Terminal.

Mr. Fermin responded that presently if a domestic carrier operates at the flat \$560 per turn, as their volume increases, after a point of about seven flights per day, it will cost a domestic carrier more to operate out of the International Terminal than it would had they been operating out of Terminal 1. This tiered rate structure will make it such that if an airline operated at seven to 10 flights per day it would be roughly equivalent to what their costs would have been had they operated from a domestic terminal. We do not want to create a rate structure that would penalize a domestic carrier for operating in the International Terminal.

When we offered this rate structure to two new entrants, one entrant elected to go to the International Terminal and the other decided to go to Terminal 1. That tells us that it is an approximately balanced rate for the two carriers.

Commissioner Ito asked if other airlines might take advantage of this opportunity.

Mr. Fermin responded that this offer has been made available to all domestic carriers.

Commissioner Crayton asked how passengers are handled.

Mr. Fermin responded that passengers in the International Terminal would be handled in the same way as international passengers, with the exception of FIS.

Mr. Martin added that there is a domestic baggage carousel on each side of the International Terminal.

Commissioner Guggenheimer asked if the parking rate change affected the new parking contract.

Mr. Fermin responded that it would not.

Item No. 4 was removed from the calendar without discussion.

4. CTX-9000 Explosives Detection Machines - Transfer of Ownership to the Transportation Security Administration

No. 07-00	Resolution approving the proposed CTX-9000 Explosives Detection Machines - Transfer of Ownership to the Transportation Security Administration in exchange for appropriate consideration.
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G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 5 through 8, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Modification No. 3 to Professional Services Contract No. 04-0127 for Airline Liaison Office Services - Airport and Aviation Professionals, Inc. - \$410,000

No. 07-0074	Resolution approving the second of three (3), one-year options under Professional Services Contract No. 04-0127, for Airline Liaison Office Services with Airport & Aviation Professionals, Inc., and Contract Modification No. 3 for a not-to-exceed amount of \$410,000 for Fiscal Year 2007/08.
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6. Tie Rack (U.S.) Inc.'s North Terminal Concourse Ties, Scarves and Accessories' Store Lease No. 02-0093 - Exercise Two-Year Option Effective November 25, 2007 through November 24, 2009

No. 07-0075	Resolution approving the exercise of Tie Rack (U.S.), Inc.'s sole two-year option to extend the term of the North Terminal Concourse Ties, Scarves, and Accessories Store Lease No. 02-0093, effective November 25, 2007 thru November 24, 2009 under the same terms and conditions.
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7. Modification No. 8 to the Professional Services Contract with The San Francisco Convention and Visitor's Bureau for the Ongoing Development and Implementation of an International Strategic Marketing Alliance - \$300,000

No. 07-0076

Resolution approving Modification No. 8 to the Professional Services Contract with The San Francisco Convention and Visitor's Bureau for the ongoing development and implementation of an International Strategic Marketing Alliance, increasing the amount by \$300,000 for a new total contract amount not-to-exceed \$2,417,500, and extending the term for an additional year ending on June 30, 2008. All other terms and conditions of the contract remain in full force and effect.

Commissioner Ito asked for an update on the work that is being done. She also asked how the contract has produced for us over the past year.

Ms. Kandace Bender, Deputy Director, Marketing and Communications, responded that it is difficult to quantify what causes an airline to start service or why it is successful or not. It is safe to say that the Qantas and Air New Zealand flights have been tremendously successful. We have seen a 28% growth in traffic from both Australia and New Zealand as a result of the new carriers. We would not have the new carriers, she believes, without the work that the San Francisco Convention and Visitors Bureau (CVB) has done with us.

As we attempt to recruit new airlines or encourage current airlines to increase service, the key component to our presentation is our ability to offer marketing and promotional support ... mostly in the international markets. That is provided by the CVB and they have done excellent work.

Each year we take a look at the scope of work and how the market has changed and demand has changed around the world. This year we decided to spend a little more time in India and Korea ... two emerging markets. We have a huge potential block of passengers, particularly in India, that are not being served properly because we lack connecting service to India on a regular basis. We felt it was important for us to have a presence on the ground in India and in Korea to help promote the flights and promote San Francisco as a point of destination and an entry point into the United States.

It is cost effective because we are not hiring full time employees in those countries. We have people working on a part time basis and we call them when we need them. They put together packages, make calls, or do whatever we ask them to do. It's an efficient way of getting in front of travel agents and corporate travel managers.

We are not going to reduce service in any of our other key markets such as China, Japan, and Australia. We are just trying to be more efficient in those areas.

Commissioner Ito asked if the CVB was still working on their website. She raised a

question earlier regarding whether travelers were spending time in San Francisco, and are they supporting the neighborhoods and our economic vitality?

Ms. Bender responded that they are still working on Japanese and Chinese language websites, for example, that are both up and running and quite popular.

8. Modification No. 4 to the Route 397 Owl Bus Service Contract with SamTrans - \$220,000

No. 07-0077

Resolution approving Modification No. 4 to exercise the fourth of four, one-year options to renew a contract with SamTrans to help defray unrecovered costs of operating the Route 397 Owl Bus Service. The annual cost is not-to-exceed \$220,000 for the fiscal year beginning July 1, 2007 to June 30, 2008.

Commissioner Crayton asked if we know what percentage of people working at SFO are using this service to warrant continuing this subsidy. Does San Mateo contribute?

Mr. Tryg McCoy, Deputy Director, Operations and Security responded that he was not sure if San Mateo County contributed a separate amount.

Thirty-six percent of the riders are picked up and dropped off at SFO. We pay 33% of the total cost. There are approximately 170 people that ride this bus on a daily basis during those hours. We believe that this service is important for employees who get off work during those hours and for passengers who come into SFO after BART stops operating. This bus runs hourly from midnight to 5:00 AM.

We do not believe SamTrans would continue to run this service if we did not contribute this 33%. Like every other public transit agency, they do not break even and they look for subsidies to keep service. This is one that they would look at regularly and consider dropping if we did not participate.

This is the last year of our four year agreement. We will sit down with them in the next 12 months and renegotiate and reevaluate the effectiveness of the run.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:25 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:45 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**April 16, 2007
Special Meeting**

9:00 A.M.

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Department of Public Health
City and County of San Francisco**

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President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

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JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Special Meeting of
April 16, 2007

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11.	Bid Call - Contract 8760 - Elevator Repair and On-Call Service Contract	07-0088	11
12.	Bid Call - Contract 3828C - Power Distribution System Loop Connection, Phase III	07-0089	11
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AIRPORT COMMISSION SPECIAL MEETING MINUTES
April 16, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 300, 101 Grove Street, Department of Public Health, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Eleanor Johns
	Hon. Rich Guggenhime

Absent:	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 3, 2007 were adopted unanimously.

No. 07-0078

* * *

D. DIRECTOR'S REPORTS:

1. Air Traffic Control Tower Seismic Evaluation - Oral Report

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that Terminal 2, formerly the Central Terminal, is a seven-story concrete and steel structure, constructed in the 1950s. In the early 1980s, the connector building and Boarding Area D were constructed, and the Control Tower was added to the Central Terminal, extending the height of the structure by five-stories. The addition of the Control Tower to the terminal facility was accompanied by structural modifications to enhance the seismic resistance of the building.

As part of the long range planning for terminal redevelopment at SFO, we engaged Gensler Architects to provide design services for the Terminal 2 Remodel project. The initial task assigned to Gensler provided for a feasibility study to develop various redevelopment alternatives for Terminal 2, Boarding Area D and the Air Traffic Control Tower. The alternatives ranged from a "paint and patch" scenario, where minimal improvements are undertaken to provide for a functioning facility as soon as possible, to complete rebuild of the Terminal and Boarding Area. Several partial rebuild alternatives were also studied which preserved major facility systems such as foundations and structural, while

replacing those elements most in need of replacement to provide for a renewed 40-year useful life. Due to the retrofit nature of these alternatives, certain design and operational tradeoffs are part of the consideration.

An important aspect of the feasibility study was the seismic evaluation performed on the entire Terminal/boarding area/Control Tower facility. The analysis of the structural systems of the existing facilities, including foundations and superstructure, are key considerations in developing the criteria for remodeling and whether a remodel is a cost effective solution to a rebuild.

Gensler's subconsultant, OLMM, the structural designer for the team, prepared the seismic evaluation. The Airport also assembled a structural peer review panel with three structural engineering experts from firms in the Bay Area. They were tasked with reviewing the seismic evaluation and providing their guidance, expertise and conclusions on the recommendations of the work products.

Based on the results of the seismic analysis, the Control Tower and terminal require substantial structural upgrading to meet current day seismic standards. Due to the interrelated structural systems of the Control Tower and terminal, extensive reinforcement of the entire facility is required, including the addition of an estimated 1000 piles in the foundation and the replacement and addition of shear walls or bracing to provide for the necessary lateral resistance. This will result in a less-than-desirable operational configuration of the facility.

The Control Tower has particular challenges with respect to seismic reinforcement due to its height. Extensive structural bracing of the tower section and cab of the Control Tower is required, which would be severely disruptive during construction and adversely impact visibility for the Air Traffic Controllers.

It is anticipated that following a major earthquake both the Control Tower and terminal building will suffer significant damage, potentially beyond repair, and potentially not safe for occupation. Due to the extent of structural upgrading required, it appears cost prohibitive and operationally infeasible to upgrade the entire facility to meet current day codes.

Given the critical nature of the Control Tower to the operations at SFO, the Airport has recommended to the FAA that the FAA move forward with funding a replacement Control Tower. Airport staff has engaged the appropriate FAA staff in pursuing a replacement tower. Per this morning's Commission Item No. 4, as a first step the Airport is requesting Commission authorization to enter into a Reimbursement Agreement with the FAA for a Tower Siting Study. Various alternative tower locations will be studied and a preferred location identified.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

2. Approval of the Business Terms and the Issuance of a Request for Proposals and Authorization to Conduct the Competitive Selection Process for the Private Sector Registered Traveler Program Lease

No. 07-0079

Resolution approving Business Terms, issuance of a Request for Proposals and authorization to conduct the competitive selection process for the Private Sector Registered Traveler Program Lease to implement a Private Sector Registered Traveler (PSRT) Program to enhance customer service and security at San Francisco International Airport. The PSRT Program will provide expedited security screening for passengers who pay an annual registration fee and volunteer biometric and biographic information to a TSA approved Registered Traveler (RT) vendor and successfully pass a security threat assessment.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that this item requests approval to issue a Request for Proposals and to conduct a competitive selection process for a private sector Registered Traveler (RT) program at SFO.

The RT program is less than one year old and is currently in operation in only five other U.S. airports. The TSA approves and regulates the program in which TSA-certified companies provide enhanced customer service at the passenger security checkpoint to passengers who voluntarily undergo a TSA-conducted security threat assessment and record check.

Airports select from one of five currently approved RT vendors. The vendor establishes both an on-line registration process and an on-airport enrollment station. Interested passengers pay a fee, normally \$99.00 per year, to enroll and provide personal data, including biometric identification consisting of full ten fingerprints or retina scan. Once the personal data has been reviewed by the TSA, members receive an ID card. The RT service provider installs verification stations at or near the head of the line of each security checkpoint. Members verify their identify at the airport and are then assisted to the front of the passenger checkpoint line. TSA screeners then conduct the normal security screening. In the future, RT advanced technology may enable passengers to have an equally secure, but less intrusive screening process that may enable them to keep their shoes and/or jackets on, or possibly walk through an all-in-one device. The concept encourages RT service providers to partner with the industry to obtain TSA approval of advanced technologies for use by their members.

All airport programs are interoperable. Enrollment is open to U.S. citizens only.

SFO has historically had some of the shortest wait times among all large airports at 2.4 minutes compared to 4.2 for average wait times. SFOs average peak wait time is 6 minutes compared to 16 at other large airports.

As we consider the impact of additional passengers later this year, we felt it appropriate to add this new service that will allow flyers to avoid any line waits. Members can enjoy predictability of a short wait at all times of the day.

We now also believe that our liability concerns can be overcome by requiring SAFTY act coverage by our vendors and we are also hopeful that a legislative solution is forthcoming.

The program will allow the TSA to concentrate its resources on unknown passengers who may pose a greater potential threat than RT passengers.

We are anticipating program start up in October.

3. Award Contract 8433D - Activation of Boarding Area A Gates A1, A3 & A5 - Interior Architectural Improvements - Galliera, Inc., dba Trico Construction - \$3,643,583

No. 07-0080

Resolution awarding Contract No. 433D - Activation of Boarding Area A Gates A1, A3 & A5, Interior Architectural Improvements to Galliera, Inc., dba Trico Construction, in the amount of \$3,643,583.

Mr. Satero explained that this resolution awards the Activation of Boarding Area A Gates A1, A3 and A5 - Interior Architectural Improvements to Galliera, Inc., dba Trico Construction for build-out of the gaterooms and deferred baggage claim at the Boarding Area A side of the International Terminal.

This work supports the program to activate Gates A1, A3 and A5 in the International Terminal Building. The added gate capacity will allow the Airport to continue to meet the growth in international traffic, as well as accommodate additional domestic activity within the International Terminal Boarding Area A. The gate layout will accommodate up to five narrow body aircraft at the three gates or three wide-body aircraft, including an A380 at Gate A1.

The first phase of the Program is complete, with the demolition of Old Boarding Area A. In progress work includes the hydrant fueling system installation and apron and taxiway reconstruction. Most recently, at the meeting of March 20, the Commission awarded the passenger loading bridge contract for the procurement and installation of jet bridges and aircraft systems at Gates A1, A3 and A5.

This item awards the architectural scope, which includes the gateroom buildout at Gates A1 and A3, and activation of a deferred baggage claim carousel in the International Terminal. The work includes interior demolition, flooring installation, demising wall construction, structural steel installation, sheet rock work, metal fabrication and electrical / mechanical work on the baggage claim device.

The overall Program is on schedule for an October completion.

The Airport received two bids on this contract. Both bidders were eligible for and

received the 10% LBE bid discount. Trico was determined to be the low bidder with a bid of \$3,643,583.

The Airport received a bid protest from the second low bidder, Rubecon Construction. Airport staff, the City Attorney's Office and the Human Rights Commission reviewed the Rubecon protest issues and determined that the protest was without merit. Subsequently, Rubecon sent a letter to the Contractor's State License Board (CSLB) of the State of California requesting their determination as to the appropriateness of a subcontractor with an "A" contractor's license performing work described as "demolition work, provide aluminum grilles, column covers, clean-up labor, miscellaneous extrusions and stainless." This work was identified on Trico's subcontractor's list as being performed by an "A" licensed subcontractor.

The Airport opted to wait for the CSLB's response to Rubecon before proceeding with the award, even though the City Attorney's Office concluded that the Airport was on firm legal footing.

Given the urgency of proceeding with the work, and not having received anything in writing from the CSLB to Rubecon, on April 5 Airport staff sent a letter to the CSLB requesting their determination as to the licensing issue. In a follow-up conversation on April 8 with Airport staff, the CSLB concluded that the Airport's determination was correct, and provided documentation to this effect on April 13.

Trico Construction has declared a 16% LBE participation, meeting the LBE goal.

The award amount for this contract is within the overall Activation of A Gates program budget.

4. Authorize Staff to Negotiate a Reimbursable Agreement with the FAA to Prepare the Airport Traffic Control Tower Siting Study - \$450,000

No. 07-0081

Resolution authorizing staff to negotiate a reimbursable agreement in an amount not-to-exceed \$450,000 with the FAA to prepare the Airport Traffic Control Tower Siting Study for the San Francisco International Airport.

Ms. Danielle Rinsler, Administrator, Bureau of Planning, explained that this item authorizes the Director to enter into negotiations with the FAA for a reimbursable agreement for preparation of an Airport Traffic Control Tower (ATCT) Siting Study for SFO.

This is a sole source agreement with the FAA for a not-to-exceed amount of \$450,000 to study potential sites for a relocated ATCT.

The Siting Study would be conducted in compliance with FAA Advisory Circular 6480.4A guidelines.

The FAA will perform modeling of tower locations to evaluate the operational feasibility of each site and identify a preferred site for relocation of the ATCT.

We will return to the Commission in May to formally request award of the negotiated reimbursable agreement with the FAA and to request approval of pre-payment authorization required for FAA reimbursable agreements.

5. Modification No. 6 to Professional Services Contract with John F. Brown Company to Increase Scope of Work for Bond Feasibility Reports; Rates and Charges Analyses; Feasibility Analyses to Support Financial and Capital Planning; Traffic Forecasting and Analyses; and Information and Analyses to Support Air Service Marketing - \$830,000

No. 07-0082

Resolution approving Modification No. 6 to Professional Services Contract with John F. Brown Company to increase the total not-to-exceed contract amount by \$830,000 increasing the total contract amount from \$1,980,000 to \$2,810,000.

Mr. Leo Fermin, Deputy Director, Business and Finance, said that when the Commission first approved the pool of Airport management consultants, the Commission was told that staff would return for approval of tasks that arise over time, and seek funding authorization in increments for ongoing work. This item requests approval for work for the next year in several areas.

First, work needed for the next refinancing bond issue. We will mobilize our bond team in August for potential refunding bonds to be sold in February 2008.

We will also need assistance in rates and charges and long term financial planning, as well as airline traffic forecasting statistics for new airline route development.

This modification should cover our currently anticipated needs for the next year. However, we may return to the Commission if additional needs surface. For example, there is a possibility that work on congestion management issues may be required. Should that arise, we will return for approval of the additional work.

* * *

G. CONSENT ITEMS OF ROUTINE ADMINISTRATIVE MATTERS:

6. Modification No. 2 to the Curbside Management Program Contract No. OPS PS 05-8363 with DAJA International, LLC - \$3,215,706

No. 07-0083

Resolution approving Modification No. 2 to the Curbside Management Program Contract No. OPS PS 05-8363 with DAJA International, LLC, an HRC certified LBE, exercising the second option of the Curbside Management Program Contract for a total

amount not-to-exceed \$3,215,706 for the period from July 1, 2007 to June 30, 2008.

Mr. Ray Sloan, Public Policy Advocacy, representing M&M Shuttle, American Shuttle, Quake City Shuttle and Bay Shuttle, submitted a letter to Airport Commission President Larry Mazzola requesting a delay on this item in order to give drivers and owners of shuttle companies the opportunity to work out the serious challenges that have been raised regarding this contract.

Mr. Sloan also presented a letter addressed to the Commission from Arik Sharabi of Airport Express, dated April 15, 2007, expressing objection to any renewal of the DAJA contract.

Mr. Martin requested that the Commission take action on this item and said staff will meet with the companies to try and work out the issues.

7. Modification No. 4 to the Professional Services Agreement for Contract No. 8012 - LSA Associates, Inc. - Not-to-Exceed \$40,000

No. 07-0084 Resolution approving Modification No. 4 to the professional services agreement with LSA Associates, Inc., to increase compensation in an amount not-to-exceed \$40,000 to provide environmental planning services to conduct wetland delineations at Outer Bair Island and India Basin Mitigation Sites, and services to evaluate mitigation compliance for Palo Alto Harbor Phase II, Crissy Field, and Hayward Area Recreation District mitigation projects for a total contract amount not-to-exceed \$728,000.

8. Authorize Staff to Issue a Request for Qualifications for Contract No. 8738 for General Airport Security Services

No. 07-0085 Resolution authorizing issuance of a Request for Qualifications (RFQ) for Contract 8738 for General Airport Security Services to comply with the new Transportation Security Administration (TSA) security directive and for temporary, as needed security services. The new contract will replace the emergency contract currently in force for inspecting food, beverage and merchandise products brought from the ramp area into sterile terminal areas.

9. Award Cellular Phone Lease to Triptel, Inc. - \$56,650 Minimum Annual Guarantee

No. 07-0086 Resolution awarding the Cellular Phone Rental

Lease to Triptel, Inc., for a Base Rent of the Minimum Annual Guarantee of \$56,650 for the First Lease Year, or tiered percentage rent, whichever is greater, and a term of three years with two one-year options exercisable at the Airport Commission's discretion.

10. Bid Call - Contract 8752 - Escalator and Electric Walk Repair and On-Call Service Contract

No. 07-0087

Resolution approving the scope, budget and schedule for Contract 8752, Escalator and Electric Walk Repair and On-Call Service Contract, and authorizing the Director to call for bids when ready.

11. Bid Call - Contract No. 8760 - Elevator Repair and On-Call Service Contract

No. 07-0088

Resolution approving the scope, budget and schedule for Contract No. 8760, Elevator Repair and On-Call Service Contract, and authorizing the Director to call for bids when ready.

12. Bid Call - Contract 3828C - Power Distribution System Loop Connection, Phase III

No. 07-0089

Resolution approving the scope, budget, and schedule for Contract 3828C, Power Distribution System Loop Connection, Phase III, and authorizing the Director to call for bids when ready.

13. Modification No. 15 to the SFO Shuttle Bus Company Contract to Include the Purchase of Seven Compressed Natural Gas (CNG) Buses and Incremental Billing Rate Changes

No. 07-0090

Resolution approving Modification No. 15 to the SFO Shuttle Bus Company Contract to authorize the purchase of seven additional new compressed natural gas (CNG) transit buses and retroactively adjust the basic hourly and incremental billing rates for the period January 1, 2007 through December 31, 2007, and reconcile pension and health and welfare premiums for Calendar Year 2006.

14. Authorization to Commence a Competitive Selection Process for the Security Checkpoint Mail Service Lease

No. 07-0091

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Security Checkpoint Mail Service Lease through a Request for Proposal.

15. Approve Month-to-Month Holdover of Huong Thi Diep dba S&T Catering's Garage Taxi Staging Area Mobile Catering Truck Lease Nos. 04-0029 and 04-0117

No. 07-0092

Resolution approving the month-to-month holdover of Huong Thi Diep dba S&T Catering's Garage Taxi Staging Area Mobile Catering Truck Lease Nos. 04-0029 and 04-0117 for a fixed monthly rent of \$2,000 total for both leases.

16. Amendment to Sublease with Andrews Air Corporation for Off-Airport Warehouse Space Located at 245 Spruce Avenue, So. San Francisco, California

No. 07-0093

Resolution authorizing amendment of off-Airport sublease for Andrews Air Corporation at 245 Spruce Avenue, South San Francisco, California to reduce warehouse space from 60,000 square feet to 30,000 square feet.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:33 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding a settlement of litigation entitled Lumbermen's Mutual Casualty Company v S.F. Airport Commission, et al. San Francisco Superior Court - Unlimited Jurisdiction Case No. CGC-05-442586; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

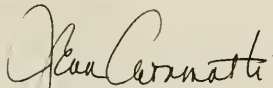
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:38 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:39 AM.


Jean Caramatti
Commission Secretary

RAY SLOAN & ASSOC.

PUBLIC POLICY ADVOCACY

San Francisco Airport Commission
Larry Mazzola
President
San Francisco International Airport
San Francisco, CA 94128

Dear President Mazzola and Commission Members

May I respectfully request that you delay action on item 6, Modification No. 2 to the Curbside Management Program Contract No. OPS PS 05-8363 with DAJA International, LLC \$3,215,706, and give drivers and owners of shuttle companies the opportunity to work out the serious challenges that have been raised regarding this contract.

After the meeting of April 3, 2007 I requested that the Deputy Airport Director of Operations Tryg McCoy meet with me, and owners and drivers, that have concerns as to the Curbside Management. Mr. McCoy states in his Notice to Upper Level Door-to-Door Permittees that "Curbside Management is essential to the smooth and orderly operation at the curb." We concur. Treating individual companies and drivers fairly and equitably is the most important aspect for a healthy Airport Shuttle Service. We believe that there are issues which should be addressed before this contract is issued.

I will be representing M & M Shuttle, American Shuttle, Quake City Shuttle, and Bay Shuttle. Other companies, including Door-to-Door Express will have independent representation.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Ray Sloan', followed by a long horizontal flourish line.

Ray Sloan
120 Willow Street
San Francisco, CA . 94109

**AIRPORT
EXPRESS**

SAN FRANCISCO

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FAX 925 • 932 • 8067

04/15/2007

To The Honorable Commissioners:

We desire, by this letter, to make a record of our objection of any renewal of the coordination contract, at SFO, for DAJA Shuttle Port Inc.

That company, during the last few years, has coordinated the van transport services at SFO in an unprofessional manner, insensitive to public needs, with its employees playing favorites among the shuttle operators after taking bribes from drivers, and ignoring complaints and requests for fair dealings.

Daja's employees are untrained, misquote prices and schedules to the public, and often focus only on their personal gain. We look forward to the Commission selecting a new, competent, operator to replace Daja.

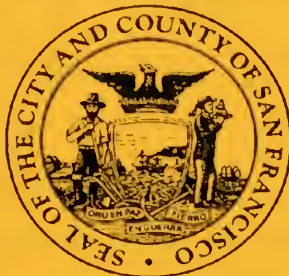
Thank You,

Arik Sharabi

Airport Express San Francisco

CC: Mayor
Members, Board of Supervisors

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

May 1, 2007

9:00 A.M.

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JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
May 1, 2007

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AIRPORT COMMISSION MEETING MINUTES

May 1, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

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C. ADOPTION OF MINUTES:

The minutes of the special meeting of April 16, 2007 were adopted unanimously.

No. 07-0095

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- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 07-0094 regarding the settlement of litigation entitled Lumbermen's Mutual Casualty Company v. San Francisco Airport Commission in the amount of \$800,000 at the closed session of April 16, 2007.

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E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 and 2 were called together and moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Designate \$54,400,000 of Passenger Facility Charge ("PFC") Revenues for Payment of Debt Service in FY 2007/08 and Apply Amounts up to \$54,400,000 of PFC Revenues to Airline Rates and Charges As Needed

No. 07-0096	Resolution authorizing the designation of \$54,400,000 of Passenger Facility Charge Revenues for payment of Debt Service in Fiscal Year 2007/08 and apply amounts up to \$54,400,000 of PFC Revenues to Airline Rates and Charges as needed.
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Mr. Leo Fermin, Deputy Director, Business and Finance explained that these two agenda items are related in that we collect Passenger Facility Charges (FFC) of \$4.50 per enplanement, use amounts declared as "Revenues" to pay debt service costs contained in our Operating Budget, and this then affects the amount we need to collect from the airlines through Rates and Charges to cover our costs in the Operating Budget.

When the New International Terminal was completed the airlines' cost per enplaned passenger increased to \$20.58 in 2002, up from \$6.35 just three years earlier. Then September 11 hit, and as the airline industry struggled with the downturn, it became very clear to us that the Airport had to reduce airline costs in order to remain competitive with other airports, and be able to not just attract new carriers, but ensure we retain our existing carriers.

Consequently, the Airport Commission approved two sets of PFC applications to the FAA to allow us to apply PFC monies to pay the debt service on bonds sold to pay for the International Terminal construction and the common-use systems such as the baggage systems and passenger loading bridges.

In addition to paying debt service on bonds, for next year we will deposit \$7 million into our capital funds for direct, "pay as you go" capital expenditures, and increase that by \$1 million every year.

As background to the second Agenda item, in 2003 we established a goal of getting airline costs per enplaned passenger down to \$12 in FY 2008/09, in constant 2003 dollars, using five strategies:

- Applying PFCs to debt service in the Operating Budget
- Using bond refundings involving variable rate debt and interest rate swaps
- Increasing non-airline revenues through initiatives such as the Domestic Terminals Food and Beverage Program and the creation of a new Long Term Parking Facility
- Containing operating costs in each years Operating Budget
- Attracting new service to the Airport, with incentives such as the Aviation market Stimulus Program

All of this has come together in the second Agenda item, the proposed Rates and Charges for FY 2007/08, before the Commission. We are proposing to reduce the landing fee rate by 9.8% from \$3.34 down to \$3.01. The average terminal rental

rate will decrease by 3.2%, from \$94.61 to \$91.60. As a result, the budgeted cost per enplaned passenger in constant dollars will be \$12.08, one fiscal year earlier than the \$12 goal we established for FY 2008.09.

Commissioner Crayton asked when the first PFC was enacted.

Mr. Fermin responded that we first applied for the PFCs in 2002.

Commissioner Ito thought it was great that our \$12.00 goal was met early.

Mr. Fermin responded that this is a credit to our entire staff.

Commissioner Guggenheimer asked why the increase in employee parking rates. What is the theory behind such a small percentage?

Mr. Fermin responded that we increased employee parking rates several years ago. At that time we felt it was a burden on some of the tenant employees. Many employers require their employees to pay a portion of the parking costs. We are very sensitive to that.

We are also gradually moving toward cost recovery. One reason for adjusting some of the various miscellaneous non-airline rates was to continue on and incrementally increase cost recovery over time in various areas. For example, in Ground Transportation our cost recovery is well below what it should be. It ranges anywhere from 42% to around 80% in various segments of ground transportation. We are trying to slowly increase that by a few percentage points each year.

We are only recovering 60% of our cost for employee parking with this change; an increase of 50% the prior year. In refuse disposal it is around 86%, and in sewage rates we have increased from 85% to 86%.

2. Adoption of Fiscal Year 2007/08 Airport Rates and Charges

No. 07-0097

Resolution adopting the Airport Rates and Charges for Fiscal Year 2007/08.

Item Nos. 3 and 4 were called together and moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Authorization to Enter into an Other Transaction Agreement with the Transportation Security Administration for the Airport Perimeter Security Technology Enhancement Program - \$1,375,694

No. 07-0098

Resolution authorizing the Airport to enter into an Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA) for

the Airport Perimeter Security Technology
Enhancement Program in the amount of
\$1,375,694.

Mr. Tryg McCoy, Deputy Director, Operations and Security explained that he was presenting two resolutions for approval that will enable the Airport to accept and spend federal funds to improve the safety and security of SFO. Over the past year the Aviation Security department has been in the application process for a federal grant to test new security technologies. SFO's proposal has been selected by the TSA and the Airport has been awarded a \$1.375 million grant to install an Airport perimeter intrusion detection system.

SFO competed with approximately 10 airports over the past year to propose a viable solution to test perimeter intrusion technology and to receive a portion of the \$5 million approved by Congress for the TSA to test these systems. Based on the strength of our proposal, and the Airport's history of successfully implementing security technology, we were awarded \$1.3 million out of the \$5 million total.

Our proposal is to utilize existing closed circuit TV (CCTV) cameras located around portions of the Airport's perimeter and integrate these camera views into systems that we already have in our Security Access Office ... some intelligent video and our access control system. Our proposal is unique in that it proposes using the FAA's airport surface detection equipment radar which shows movement of vehicles around the Airport. We will integrate the feed from that FAA radar into this new system and we will ultimately achieve an automated motion detection system that will detect boats and other things coming into our perimeter via the water or around the Millbrae-Airport access gate.

Agenda Item No. 3 authorizes the Airport to enter into an Other Transaction Agreement (OTA) with the TSA to accept and expend funds up to the amount of \$1,375,694. No airport funds will be required for this project.

Item No. 4 is a related resolution authorizing the Airport to issue an RFP for a security systems integrator. We need a specialized security systems integrator to assist with the design, procurement, installation and programming of the systems that we proposed to the TSA.

The Airport will be reimbursed 100% of the costs under the OTA.

Commissioner Johns asked how the motion detectors would identify something in the water other than a flock of birds.

Mr. McCoy said that that is the beauty of our proposal. We have worked with our current CCTV provider and we already have some motion detection technology. It can be set up to define normal motions and then it can be designed to pick up specialized motion, i.e., a boat or a swimmer approaching the area ... something that is outside of the norm. It will be able to detect these things day or night.

Commissioner Crayton asked who our current CCTV provider is.

Mr. McCoy responded that it is Intellex. We are finalizing the final year of a \$5 million grant to improve our Security Operations Center. Intellex was selected through an RFP process to upgrade our CCTV.

4. Authorization to Issue a Request for Proposals for Contract No. 8765 - Perimeter Security Pilot Project

No. 07-0099 Resolution authorizing the issuance of a Request for Proposals (RFP) to provide perimeter security system integration services as part of the Transportation Security Administration's Airport Perimeter Security Technology Enhancement Program.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Award Terminal 3 Newsstands and Specialty Store Lease - Host International, Inc.

No. 07-0100 Resolution approving the award of the Terminal 3 Newsstands and Specialty Store Lease to Host International, Inc. with a Base Rent of the Minimum Annual Guarantee of \$1,510,000 for the First Lease Year or tiered percentage rent, whichever is greater, and a term of five (5) years with two one-year options exercisable at the sole discretion of the Airport Commission, and directing the Commission Secretary to request approval of the award from the Board of Supervisors.

Mr. Fermin said that this lease covers four locations totaling 3,749 sq. ft. Two locations are post security and two are pre-security. The post security locations are in the T-3 Hub ... Space A, which will be developed into a newsstand called Golden Gate News Connection; adjacent to it will be another space of 1,370 sq. ft. which will be developed into a women's apparel store called M&G by Mango.

Pre-security will be SFO News Express in front of the United Airlines check-in counters in T-3. In the T-3 arrivals area, just outside of baggage claim near the tunnel to the garage, there will be an SFO Express Newsstand and a Starbuck's Coffee concept.

The selection panel rated Host the highest proposer overall.

We are aiming to have all construction complete and all locations open by mid December, before the Christmas holiday.

Commissioner Johns noted that Host was determined to be the "highest responsive and responsible proposer" and asked what that was based on.

Mr. Fermin responded that there were several criteria ... experience, financial strength and their business plan, the concept and product mix, their construction, operations and management plan, design intent and the MAG. The MAG counted for 20% of the overall scores. Host had the second highest MAG.

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G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 8, was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

Item No. 9 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Authorization to Execute Grant Agreements with the California Department of Transportation and Metropolitan Transportation Commission for Matching Funds to Support Diesel Bus Emissions Mitigation

No. 07-0101	Resolution authorizing the Airport Director to execute grant agreements with the California Department of Transportation and Metropolitan Transportation Commission for matching funds to support installation of advanced exhaust filters on SFO Shuttle Bus vehicles and permitted fleet buses serving SFO.
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7. Reject All Bids - Contract 8516 - Sanitary Sewer Pump Station 5A Replacement

No. 07-0102	Resolution approving reject all bids for Contract No. 8516 for Sanitary Sewer Pump Station 5A Replacement, and authorize the Director to re-bid this contract when ready.
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8. Assignment of Domestic Terminal Food and Beverage Lease No. 03-0189 from SFO Equities, LLC to Burger King Corporation, and Subleases to Gate 74, Inc., and SFO Equities, LLC

No. 07-0103	Resolution approving (1) assignment of Domestic Terminals Food and Beverage Lease No. 03-0189 from SFO Equities, LLC to Burger King Corporation under the same terms and conditions, and (2) the sublease of one post-security location to Gate 74, Inc., and (3) the sublease of one pre-security location to SFO Equities, LLC.
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Commissioner Johns asked why all of this was happening.

Mr. Fermin responded that the current lessee, SFO Equities, expressed a desire to maintain just one location on the mezzanine. They wish to relinquish the Gate 74 space on the lower level. They had their corporate entity, Burger King, present when they were discussing the plan with staff. Burger King proposed a solution we thought might be in everyone's best interest. Burger King, the corporate parent, would hold the lease. It would give us a stronger corporate entity to whom we could go, insuring that rent payments to the Airport are made. Since that entity is the lessee, they are a much stronger overall tenant than either SFO Equities or the proposed sublessee, which is an existing franchise holder of Burger King. Through this reshuffling of uses we end up maintaining a Burger King at the Gate 74 location, but with a new operator. We are then able to give our present tenant a continuing chance to operate in the mezzanine location but to reconcept it to a soup and salad offering. This concept does not compete with the Subway or Pete's Coffee lease in the same area.

Commissioner Ito asked when the mezzanine lease will open.

Mr. Fermin responded that SFO Equities will try to open by the end of May to meet the summer traffic.

9. Approval to Purchase a Richard Shaw Sculpture in Terminal 1, Boarding Area C - \$28,000

No. 07-0104

Resolution approving the purchase of a Richard Shaw sculpture in Terminal 1, Boarding Area C in the amount of \$28,000 as recommended by the San Francisco Arts Commission and the Airport/Art Steering Committee.

Ms. Susan Pontius, Arts Commission, explained that Richard Shaw is one of the best known and well respected ceramic sculptors in the Bay Area. The Airport's collections greatest strength is our collection of Bay Area artists and art movements associated with the Bay Area. Two of those most important movements are the ceramic sculpture movement and Bay Area Funk of the late 1960s and 1970s and Richard Shaw is associated with both of those movements.

When the curatorial assessment of the collection was done in the late 1990s, one of the holes was our lack of holdings in ceramic sculpture. We have rectified that over the years with the acquisition of works by Viola Frey and Jim Kaneko. This piece by Richard Shaw, "Martha H," supports that movement and also supports the figurative works in the area.

This piece will be going in Boarding Area C and replaces the kinetic piece that is being moved pre-security so that it can be more easily serviced.

Commissioner Ito said that in the Airport/Art Joint Steering Committee meeting a question arose on how to stabilize the piece.

Ms. Pontius responded that she has spoken with a firm that has been working with Richard Shaw's sculptures for over 30 years about how they are reinforced. They recommended reinforcing the bell or skirt on the figure so that it doesn't move back and forth, and putting a metal base on the base of the piece so that it sits flat on the pedestal. The piece will sit in a glass case and it will be mechanically attached to its supporting pedestal.

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H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

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I. CORRESPONDENCE:

There was no discussion by the Commission.

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J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

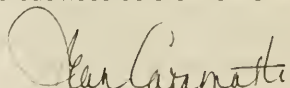
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

May 15, 2007

9:00 A.M.

DOCUMENTS DEPT.

JUN - 7 2007

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

**SAN FRANCISCO
PUBLIC LIBRARY**

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President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
May 15, 2007

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	2.	Reimbursable Agreement with the FAA for Precision Runway Monitor (PRM) System/ Simultaneous Offset Instrument Approach (SOIA) Studies and New Procedures	07-0107	6-7
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J.	ADJOURNMENT:		11

AIRPORT COMMISSION MEETING MINUTES

May 15, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:01 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present:	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheim

Absent:	Hon. Larry Mazzola, President
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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 1, 2007 were adopted unanimously.

No. 07-0105

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D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito noted a report the Commission received on May 11 on airline traffic analysis and said that the report only reflects specific enplanement information on the top seven airlines, but because most of the increase that we are experiencing is international, she felt it would be helpful to have information on the Pacific Rim carriers. She could not remember if that information was unavailable.

Mr. Martin, Airport Director, responded that it is available. We track passenger data by region of the world. For example, United reports for Asian traffic, Australian and New Zealand traffic, European, etc. We just need to change the emphasis and what we include.

Commissioner Ito suggested that we could just expand it. With Australia and New Zealand route making a major contribution in our increases, it would be good to see the particulars of each of the airlines and how productive they are.

Mr. Martin said that it makes sense because there has been a radical change in how the traffic is growing. The growth is not just the top seven, it's largely new entrant airlines that are growing. We will take a look at that report to change it.

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Award of Fixed Base Operator Lease and Operating Agreement - Signature Flight Support Corporation - Minimum Annual Guarantee: \$11,000,000

No. 07-0106	Resolution awarding the Fixed Base Operator Lease and Operating Agreement to Signature Flight Support Corporation for a term of ten (10) years with a base rent of the greater of the minimum annual guarantee of \$11,000,000 or percentage rent in the various categories.
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Mr. Leo Fermin, explained that the Fixed Base Operator (FBO) operates and maintains the Executive Air Terminal and other facilities for corporate and general aviation aircraft on a 13.75 acre site on the northeast part of the Airport. In September of last year, we began the RFP process to select a new operator as the current agreement expires this September 30, 2007.

We received five proposals in March. Three proposers met the minimum requirements. A Selection Panel evaluated the three proposals, interviewed the three companies and scored Signature Flight Support the highest overall.

There were six rating categories in the evaluation. The financial offer accounted for 20% of the total possible points. As it turned out, Signature's proposed minimum annual guarantee (MAG) of \$11 million was the highest of the three. This MAG is 43% more than the revenues we are receiving today.

We recommend award of the new 10 year agreement to Signature Flight Support.

Commissioner Guggenhime noted that this was an incredible bid. On the fuel sales percentage rent increase ... they are going from 16% to 27%. He asked about the pricing structure for fuel.

Mr. Martin responded that it is a great percentage with great economic terms for the Airport. We do have certain restrictions on fuel pricing to make sure that fuel prices are not out of line with the rest of the country.

Mr. Fermin responded that the lease requires that a survey be done to measure the average price of jet fuel sold at comparable facilities across the country. The operator is allowed to charge up to a certain percentage point beyond that, and no more. Should circumstances such as an extraordinary event to cause fuel prices to spike, the operator would have to seek Airport approval to make any further adjustments.

Commissioner Ito commended Signature on their plans to build a new hangar under the new Energy and Environmental Savings. She asked about the timeline to build.

Mr. Fermin responded that they are hoping to complete the new hangar within 12 months from the commencement date of the lease. They are planning to spend approximately \$7.5 million on the new hangar. In addition to that second hangar, they also plan to refurbish the existing hangar. They plan to finish that within four months of the commencement date of the lease.

Commissioner Ito asked if that was part of the whole proposal.

Mr. Fermin responded that bidders were expected to either propose a new hangar or refurbish the existing hangar. Signature's proposal contained a plan to do both.

Item No. 2 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Reimbursable Agreement with the Federal Aviation Administration for Precision Runway Monitor (PRM) System/Simultaneous Offset Instrument Approach (SOIA) Studies and New Procedures in the Amount of \$2,000,000

No. 07-0107	Resolution approving the execution of a Reimbursable Agreement with the Federal Administration in an amount not-to-exceed \$2,000,000 for the Performance of Studies and Development of Procedures Related to Enhancement of the Airport's Precision Runway Monitor (PRM) System and Simultaneous Offset Instrument Approach (SOIA) Procedures.
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Mr. Mike McCarron, Director, Community Affairs, explained that is a request to reimburse the FAA up to \$2 million for studies associated with the SOIA/PRM project ... Simultaneous Offset Instrument Approach / Precision Runway Monitor. This project began in April 2000 and went on line in October 2004. It allows for additional aircraft arrivals during inclement weather conditions.

Under current guidelines, aircraft are required to follow procedures set forth by the FAA and the Northern California Tracon. The new studies will allow us to lower the minimum ceiling from 2,100 feet to 1,600 feet, as well as study the problems of wake protection zone, and software tool enhancements to the system itself.

This project will allow us to land more aircraft on days like today where we have low visibility.

Commissioner Guggenheimer asked how many more planes will this allow us to land on a foggy day.

Mr. McCarron responded that it will allow the same number of plans ... about 38 - 40, but it expands the window of opportunity. It will give us more days.

Mr. Martin responded that it increases the number of days by about 5% ... when the cloud cover is between 1,600 and 2,100 feet.

Commissioner Ito asked about the overall improvement that the PRM is providing currently.

Mr. McCarron responded that it anticipated around 38 on average. We have days as high as 44 to 48, depending on existing conditions with the traffic, and the Controllers as they get more comfortable with the system and procedures. Another key factor is to create a Com Transfer, which will release one Controller from the process and streamline the arrivals even more. They will not need as many manpower hours to use the system.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Award of the Technology Products Stores Lease - ILJ San Francisco, LLC dba Airport Wireless/Palm - Minimum Annual Guarantee: \$500,000

No. 07-0108	Resolution awarding the Technology Products Stores Lease to ILJ San Francisco, LLC dba Airport Wireless/Palm, with a Base Rent of the Minimum Annual Guarantee of \$500,000 for the first Lease Year or tiered percentage rent, whichever is greater, and a term of five years with two one-year options exercisable at the discretion of the Airport Commission, and directing the Commission Secretary to request approval of the award by the Board of Supervisors.
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Mr. Fermin explained that the Technology Products Store lease covers five store locations totaling 4,826 square feet.

- Three locations will be in Terminal 3: One at the Hub finger near Gate 84; one in the Hub thumb across from Gate 76; and one at Boarding Area E just past security screening.
- The fourth location will be in Terminal 1, Boarding Area B near Gate 26.
- The fifth location will be in the International Terminal, Boarding Area A about midway down the concourse.

These stores will carry hi tech products such as Personal Digital Assistants (PDAs), Palm handheld devices, satellite radios, chargers, memory cards, batteries, lap tops, headphones, MP3 players and so on. Most of the products are hardware type products geared towards the business traveler.

We are hoping to have these stores open by the first week in December.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item nos. 4 through 14, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of Contract No. 8484 - T1 Canopy Re-roof - Pioneer Roofing - \$634,000

No. 07-0109 Resolution approving the scope, budget, and schedule for Contract No. 8484, T1 Canopy Re-roof, to the lowest responsive, responsible bidder, Pioneer Roofing in the amount of \$634,000.

5. Award of Contract No. 8458 - Airport Facilities Fall Prevention Implementation Architectural General Construction, Inc. - \$199,000

No. 07-0110 Resolution awarding Contract No. 8458, Airport Facilities Fall Prevention Implementation, to the lowest responsive, responsible bidder, Architectural General Construction, Inc., in the amount of \$199,000.

6. Authorization for a Three-Year Extension of the Commercial Paper Issuing and Paying Agent Agreement

No. 07-0111 Resolution authorizing the extension of the Commercial Paper Issuing and Paying Agent Agreement for 3 years.

7. Modification No. 1 - Information Booth Program Contract - Polaris Research and Development, Inc. - \$141,500

No. 07-0112 Resolution approving Modification No. 1 to existing Agreement to 1) increase the FY 06-07 Information Booth Program contract budget by \$141,500 for a new not-to-exceed amount of \$972,500 to expand passenger information services currently provided through the contract; and 2) exercise the first of four one-year options to renew the contract for an amount not-to-exceed \$959,900 for the contract year from July 1, 2007 to June 30, 2008, for a new total contract amount not-to-exceed \$1,932,400.

8. Authorization to Issue a Request for Qualifications for a Pool of Qualified Consultants to Provide As-Needed Technology Professional Services
- No. 07-0113 Resolution authorizing issuance of a Request for Qualifications for a Pool of Qualified Consultants to provide As-Needed Technology Professional Services.
9. Bid Call - Contract No. 8474 - Rehabilitation of Airport Cooling Towers
- No. 07-0114 Resolution approving the scope, budget, and schedule for Contract No. 8474, Rehabilitation of Airport Cooling Towers and authorizing the Director to call for bids when ready.
10. Bid Call - Contract No. 8707 - Facilities Roof Repair
- No. 07-0115 Resolution approving the scope, budget, and schedule for Contract No. 8707, Facilities Roof Repair and authorizing the Director to call for bids when ready.
11. Authorization to Commence a Competitive Selection Process for the Boarding Area E Candy Kiosk Lease
- No. 07-0116 Resolution approving proposed minimum qualification requirements and lease specifications and authorizing staff to commence a competitive selection process for the Boarding Area E Candy Kiosk Lease through a Request for Proposal.
12. Authorization to Commence a Competitive Selection Process for the Boarding Area F Candy Store and Kiosks Lease
- No. 07-0117 Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence a competitive selection process for the Boarding Area F Candy Store and Kiosks Lease through a Request for Proposal.
13. Six-Month Trial of a Denim Apparel and Related Accessories Store with RDG Concessions, LLC
- No. 07-0118 Resolution authorizing a six-month trial of a denim apparel and related accessories store with RDG Concessions, LLC, a certified Airport Concession

Disadvantaged Business Enterprise, with a Base Rent of \$1,000 per month or 12% gross revenues, whichever is greater.

Commissioner Ito said she realizes that this location is a challenge, however, why this was not put out to bid for someone else to come up with a great idea.

Mr. Fermin responded that we have been very challenged in finding people who would be interested in the site. In all of our informal contacts with members of the retail concession community, no one seemed interested in the site. Even some of the larger lessees at the Airport, such as DFS, had very little interest in the site.

We were pleased when one of our tenants came forward with a concept and were seeking approval for a trial. We liked their idea and thought it was worth a six month trial. The concept, denim jeans, is a fashion trend that is on the verge of taking off. He has heard in the apparel retail trade that there is a large interest now among the younger generation for denim products over and above the regular Levi brand type of jeans. There is a great deal of interest in the hard, strong denim apparel ... the type that is unwashed, unbleached. We are seeing a lot of that in Japan.

14. Modification No. 6 to Alaska Airlines, Inc., Lease and Use Agreement L-82-0314

No. 07-0119

Resolution approving Modification No. 6 to Lease and Use Agreement L-82-0314, whereby Alaska will realign its leased space in Terminal 1, and direct the Commission Secretary to request approval of the modification by the Board of Supervisors.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:16 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding a settlement of litigation entitled in re Northwest Airlines Corp., et al, United States Bankruptcy Court for the Southern District of New York, Case No. 05-17930ALG; settlement of litigation entitled CCSF v ARCO, et al, United States District Court, Northern District of California, Case No. 97-2965MMC; settlement of litigation entitled in re Delta Airlines, Inc., et al, United States Bankruptcy Court for the Southern District of New York, Case No. 05-17923PCB; and, settlement of litigation entitled CCSF v ARCO, et al, United States District Court, Northern District of California Case No. 97-2965MMC; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:24 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

June 5, 2007

9:00 A.M.

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RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
June 5, 2007

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	3.	Authorization to Issue RFP for Construction Management for Redevelopment of Terminal 2 and Related Facilities	07-0125	
	4.	Modification No. 1 to contract 5706BR - Terminal 1 AirTrain Pedestrian Bridge and Mezzanine - D.W. Nicholson	07-0126	
	5.	Approve Cost Reimbursements to Air Canada and American Airlines for Gate Relocations	07-0127 07-0128	
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	7.	Authorization to Enter into Reimbursable Agree- ment with FAA to Prepare Air Traffic Control Tower Siting Study and Issue Prepayment	07-0130	

8. Award Contract 8682 - Superbay Hangar Roof Repair, Phase 2 - Pioneer Contractors 07-0131
9. Award Contract 8683 - Airport Mechanical and Plumbing System Improvements - Architectural General Construction, Inc. 07-0132
10. Modification No. 1 to Professional Services Agreement - Contract 8746 - Jacobs Consultancy, Inc. 07-0133
11. Modification No. 2 to Contract 5450.1 - Professional Services - Remodel Terminal 2 and Boarding Area D - Gensler/Michael Willis, Associated Architects 07-0134
12. Approve Revised Business terms for Private Sector Registered Traveler Lease and Authorization to Issue an RFP 07-0135
13. Reject All Bids - Contract 8356BR - Underground Utilities Improvement - Store Drainage Pump Stations 17 & 18 Replacement 07-0136
14. Bid Call - Contract 8764 - Airport-Wide Construction Tasks 07-0137
15. Bid Call - Contract 8517 - Sanitary Sewer Pump Station 4 Replacement 07-0138
16. Authorization to Accept and Expend a Grant from the California Air Resource Board for Low Polluting Construction Equipment 07-0139
17. Modification No. 4 to Agreement with San Mateo County to Subsidize Childcare Services 07-0140
18. Transfer in Ownership of Certain Airport Agreements from Sale of Majority in Interest in Vanguard Car Rental Group to Enterprise Rent-A-Car Co. 07-0141

I. NEW BUSINESS:

J. CORRESPONDENCE:

K. CLOSED SESSION:

Potential Litigation

L. ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES

June 5, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenhime

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of regular meeting of May 15, 2007 were adopted unanimously.

No. 07-0122

* * *

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 07-0120 regarding the settlement agreement with Northwest Airlines Corporation et al, Debtors Case No. 05-17930 United States Bankruptcy Court for the Southern District of New York and the CCSF v. ARCO et al, in the amount of \$1,069,506.24 and 3.21% of future costs; and the settlement of litigation entitled CCSF v ARCO, Case No. C-97-2965 MMC; and No. 07-0212 regarding the settlement agreement with Delta Airlines, Inc. et al, Debtors Case No. 05-17923 United States Bankruptcy Court for the Southern District of New York and CCSF v ARCO et al, Case No. C-97-2965 MMC in the amount of \$4,132.71 at the closed session of May 15, 2007.

* * *

E. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Retirement Resolution for Lily Liu

No. 07-0123

Retirement resolution thanking Lily Lui for 35 years of faithful service with the City and County of San Francisco.

Mr. Jackson Wong, Acting Airport Director, said that Lily Liu is one of our long-term employees, beginning her career with the Health Department before transferring to the Airport as a 1650 Accountant. She has a total of 35 years of service, with 31-1/2 years at SFO.

During Lily's career she has served under four Airport Directors ... Bill Dwyer, Richard Health, Lou Turpen and John Martin. She received her permanent appointment as a Senior Accountant in September 1990.

Lily has been a loyal and dedicated Airport employee. We express our sincere gratitude and appreciation for her performance, and we wish her a long and fruitful retirement.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito commented on the status report on the Polaris contract. She said that concerns have been expressed to her from the community regarding service levels. She knows that the budget increase will enhance the hours and coverage. She asked for a quarterly report regarding adequacy of the hours given the additional airline traffic.

Mr. Wong said that the Commission will receive a quarterly report.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 and 3 were called together. The items were moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

2. Authorization to Issue a Request for Proposals for Architectural/Engineering Services for Terminal Redevelopment

No. 07-0124

Resolution authorizing Staff to issue a Request for Proposals for Architectural/ Engineering Services for Contract No. 8769, Redevelopment of Terminal 1 and Related Facilities, and Contract No. 8757, Redevelopment of Terminal 2 and Related Facilities.

Mr. Ivar Satero, Deputy Director, Design and Construction, explained that these two items authorize Airport staff to proceed with procurement of design and construction management services to support the in-progress Planning efforts, and to provide professional services for the eventual design and management of the terminal redevelopment projects.

Under previous Commission authorizations, the Airport's Bureau of Planning and Environmental Affairs proceeded with planning initiatives to study the near-and long-term facility requirements at SFO, with particular focus on terminal space and gate capacity. The initiatives include: passenger and operations forecasting; gate use studies; analysis of terminal facility requirements and study of domestic terminal redevelopment alternatives. These studies have progressed to the point where the number of alternatives has been narrowed, and professional services to assist in the further refinement of the alternatives is necessary.

To accomplish this, staff proposes to proceed with the following Commission authorizations:

- On the Consent Calendar there is a Modification to the existing Gensler/Michael Willis Associated Architects contract to provide for the further development of a preferred alternative being studied by Planning.
- Initiation of the hiring of designers and construction managers with the proposed award of initial tasks to support the in-progress terminal planning studies. This is not to proceed with full-blown design development and construction management services, but the initial tasks that would provide support to the Planning effort.

The Planning efforts to date confirm that the existing Boarding Area D and Connector Building to Terminal 2 provide for an efficient aircraft parking and facility layout. Gensler/Michael Willis staff has worked closely with the Airport Planning staff in refining this and is preparing the original scheme that they were under contract for previously for a base building remodel with minimum level of improvement. That is one of the preferred alternatives under study by Planning.

The modification to Gensler/Michael Willis, as part of the Consent Calendar presented today, will allow the Airport to further develop this preferred alternative to a conceptual design level of completion in parallel and coordination with the continuing planning efforts for terminal redevelopment.

Gensler/Michael Willis, based on their previous extensive experience with this terminal and facility, is well qualified to perform this work.

Following the review of the conceptual design, and pending the selection of the preferred alternative, staff may return to the Commission with a recommendation to award the scope of work to prepare a Schematic Design set of documents related to Terminal 2/Boarding Area D. This document set will provide a layout of the facility, define operational characteristics and space relationships, and will bring the documents to a level of completion that allow for the turn-over of the

document set to the follow-on design consultant that we are proposing to hire through this RFP process.

Staff believes it is important to proceed with the modification to the Gensler/Michael Willis contract and procurement of architectural/engineering services and construction management services in parallel with completing the studies, given the anticipated significant increase in airline traffic from Jet Blue, Southwest Airlines and Virgin America. The proposed initial tasks assigned to the consultants will both inform the planning effort and put the Airport in a position to proceed with detailed design, once the preferred alternative is selected and once the demand forecast warrants.

For this RFP for architectural and engineering services, Staff proposes to award two contracts ... one for Terminal 1 and Terminal 2, which are the primary areas of focus of the Planning effort.

The Terminal 1 contract award will include full design services from the planning support and programming phase through design development, bid documents and through construction. However, only the initial tasks related to supporting the Planning effort and coordinating the interface of Terminal 1 and Terminal 2 with Gensler/Michael Willis will be assigned an award ... Only those initial tasks related to that interface issue.

For the Terminal 2 contract, staff proposes to award the contract following the completion of the schematic design. That is if we return to the Commission with a recommendation to award further scope to develop a schematic set. Only after that point would we return to the Commission with a recommendation to award the Terminal 2 design services to prepare the full blown design of the project. At that point the selected consultant assumes design responsibility.

Regarding the RFP for Construction Management Services, Staff proposes to award a single contract for the Terminal 2 complex, excluding the Air Traffic Control Tower. The RFP for the Control Tower, and the Terminal 1 construction management services will be brought before the Commission once a decision has been made to proceed with those projects. Those are longer term projects.

The initial tasks assigned to the Terminal 2 Construction Management consultant will be for cost estimating, scheduling, construction phasing, analysis of alternative project delivery methods ... which means that at one point we may determine that this project is suitable for a design/build approach. We will want to analyze up front the risks associated with proceeding with a Terminal facility under design/build. It is also important for us to get a handle on the cost escalation. That has been such a significant contributor over the past year and a half to our cost increases and some of the projects that are in progress. We believe that we should analyze what the future looks like for our region in construction cost escalation.

The RFP process for both the A/E and Construction Management services procurement will be similar. Consultants will be required to meet minimum qualifications established based on the size and complexity of the projects, and

the proposals must be responsive to the HRC requirements. For the firms that are responsive and meet the minimum qualifications, a Selection Committee will perform a technical review of the proposals based on the evaluation criteria contained in the RFP and develop a ranking. Staff will shortlist the highest ranked firms and conduct interviews with key personnel, and perform interviews of past and recent clients. Based on the scoring results of the proposals, interviews and reference checks, staff will return to the Commission with a recommendation to select the highest ranked proposer and authorize staff to enter into negotiations.

The various contracts for services will be for up to 10 years, with an estimated per contract value of \$15 million.

Staff will work with the HRC to develop the LBE subcontractor participation goals.

Commissioner Ito assumed that a consultant could submit a proposal for Terminal 1, Terminal 2, or both.

Mr. Satero responded that they could.

Commissioner Ito asked if, during the ranking, there were pre-set values on the financial advantages of one consultant doing both projects.

Mr. Satero responded that we haven't analyzed the financial benefit of one consultant doing the design of both projects.

Commissioner Ito asked if Gensler has proposed suggestions based on his evaluation to date.

Mr. Satero responded that they have not.

Commissioner Ito said that she sees problems in the evaluation process unless we have some pre-determined criteria on how to evaluate these proposals.

She asked if the \$15 million per contract would remain the same in the event one firm had both contracts.

Mr. Satero responded that for budgeting purposes we used our standard percentages. For example, if Terminal 2 is a \$200 million remodel we would assign 7-1/2 to 8% to it and it would be in the neighborhood of \$16-\$17 million. If Terminal 1 is a \$200-\$300 million remodel we would again take 7-1/2 to 8%. For budgeting purposes only, we would double the estimate if it was a combined contract. When we actually go through the negotiations there may be some economic advantage to having a single designer.

Mr. Wong said that he had discussions with the Director on this subject and the preference is to have two separate contracts ... they have not informed Ivar. We can conclude that we will probably select two separate designers, based on our experience with the Master Plan.

Commissioner Ito asked if that would be clear in the RFP.

Mr. Satero responded that we will make it clear that there will be two contract awards and each firm will only be eligible for one or the other award, based on the ranking.

Commissioner Crayton was not sure if it was more advantageous to have two firms rather than just one. She did not understand why the questions that were being raised today were not understood prior to going into this.

Mr. Satero said that the initial contract with Gensler/Michael Willis was for the conversion of the old International Terminal for domestic use. It had a construction cost estimate of \$25 million. Then we added aircraft systems to it making it a very minimum level \$50 million paint and patch. There was no seismic information related to it. The project has grown substantially from what was envisioned in 2000. It is prudent to go back out with a solicitation because the scope and order of magnitude of the remodel has changed significantly. At the time we did not contemplate that we would have suspended services after 9/11. If not for that, we would have completed the design and issued the contract.

Commissioner Crayton asked if this keeps Gensler/Michael Willis from competing on this particular contract.

Mr. Satero responded that it does not.

Commissioner Johns asked about the timeline.

Mr. Satero responded that we are proposing that the Gensler/Michael Willis modification will be a two to three month supporting and planning effort to develop and refine the concepts. The Commission will be briefed on the results of the Planning efforts and the preferred alternatives. At that point we may make a recommendation to proceed with the schematic design phase of Terminal 2/Boarding Area D. We are looking at a four to six months time frame for that process. We will then decide whether to proceed with full blown design services for Terminal 2.

Commissioner Johns asked when will it be finished.

Mr. Satero responded that the planning studies forecast completion in 2012.

Commissioner Johns asked if it is common to hire a construction manager at this point.

Mr. Satero responded that although it was done both ways during the Master Plan we found that we could better identify the risks during design if we had construction management support. The construction manager can look at constructability issues for Terminal 2. For instance, we will have an issue with the Tower relocation and demolition of the upper Tower floors. They can also look at phasing in order to keep the facilities operational. We also want help to study the Alternative Project Delivery, as well as cost escalation. They will prepare a cost estimate that we can validate against the architect's estimate. There will not be staff support, but rather very specific tasks that we assign that help inform the

planning and the design phase. We wouldn't initiate full blown construction management services, such as value engineering and document reviews, until we reached 50% construction documents phase. That is where a more significant level of effort is anticipated for construction managers.

Commissioner Johns asked if this construction manager will continue for the construction phase.

Mr. Satero responded that it will be the same entity.

3. Authorization to Issue a Request for Proposals for Construction Management Services for the Redevelopment of Terminal 2 and Related Facilities

No. 07-0125 Resolution authorizing staff to issue a Request for Proposal for Contract 8757.9, Construction Management Services for the Redevelopment of Terminal 2 (T-2) and Related Facilities, including T-2, Connector Buildings, Boarding Area D and the FAA Air Traffic Control Tower.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

4. Modification No. 1 - Contract No. 5706BR - Terminal 1 AirTrain Pedestrian Bridge and Mezzanine - D.W. Nicholson Corporation - \$450,424

No. 07-0126 Resolution approving Modification No. 1 to Contract No. 5706BR, Terminal 1 AirTrain Pedestrian Bridge and Mezzanine with D.W. Nicholson Corporation, in the amount of \$450,424, for a new contract value of \$14,795,554. This modification provides for the refurbishment of the Domestic Garage Core B elevators. This modification will be funded from Airport Operating funds.

Mr. Satero said that he was requesting authorization to modify the Terminal 1 AirTrain Bridge and Mezzanine contract to include a Type II contract change order in the amount of \$450,424.

This contract, awarded to D.W. Nicholson in the amount of \$14,345,130, provides for construction of the new AirTrain Bridge and Mezzanine at Terminal 1. The scope of work includes fabrication and installation of the new pedestrian bridge and mezzanine, including all architectural, electrical, plumbing and mechanical, and procurement/installation of two new elevators and three new escalators.

Due to the absence of the pedestrian bridge and mezzanine since the opening of AirTrain in 2003, the existing elevators in Core B of the Domestic Parking Garage have sustained heavy use because the primary means of travel between AirTrain

and Terminal 1 is down those elevators and through the tunnel. That sustained heavy use has resulted in more frequent and extensive elevator down time.

The Airport proposes to modify this contract to provide for the electrical/mechanical refurbishment of these elevators following the opening of the new AirTrain bridge this summer. More energy-efficient motors and controls will be used and major parts will be replaced to allow for a more reliable operation.

This work will be funded from the Airport's Operating budget.

Due to the specialized nature of the work, there are no LBE subcontractor opportunities for this work. The contractor is currently achieving the 9% HRC LBE subcontractor participation goal.

Commissioner Johns asked if there was a safety factor involved in the continued operation of these elevators.

Mr. Satero responded that there is no safety issue.

Mr. Tryg McCoy, Deputy Director, Operations and Security, responded that with repeated use of the elevators we are seeing more and more occasions when one of the elevators is inoperative. Occasionally, someone will get stuck for a short period of time.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Approve Cost Reimbursements to Air Canada (Not-to-Exceed \$650,000) and American Airline (Not-to-Exceed \$350,000) for Gate Relocations at Airport's Request

No. 07-0127
No. 07-0128

Resolutions authorizing cost reimbursements for Airport-required moves to Air Canada and American Airlines in order to maximize use of terminal facilities and accommodate additional airlines.

Mr. Leo Fermin, Deputy Director, Business and Finance, explained that these relocation reimbursements are part of our ongoing efforts to accommodate new airline entrants within our existing facilities, pending the renovation of Terminal 2 at some point in the future. Previously, the Commission approved a tiered turn fee for domestic carriers to operate in the International Terminal, and that will enable Jet Blue and Virgin America to operate in the near term in the International Terminal.

We have negotiated with Air Canada and American to make space available for Southwest. Air Canada has agreed to vacate two gates in Boarding Area B. American has agreed to accommodate Air Canada in Terminal 3 in their leasehold at Gates 61 and 68. In doing this, American would have to move some of their

flights to Gate 67, requiring a different type of loading bridge for the aircraft type American would move to Gate 67. In the meantime, Southwest will start up with two gates in Boarding Area B in August, and on October 1st will take over the two vacated Air Canada gates, giving them the four gates they need.

This is a win win for all parties, including the Airport.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Six-Month Trial for Pownaps Sleep Station Service with Pacific Gateway Concessions, LLC

No. 07-0129 Resolution authorizing a six-month trial with Pacific Gateway Concessions, LLC, for the operation of a Pownaps sleep station service.

Mr. Fermin explained that we would like to test the concept of providing a napping and shower facility for passengers. This would be a service amenity which may appeal to connecting passengers, especially those arriving on long international flights, and then connecting to a domestic flight. We receive between eight to 15 passenger requests each month for a sleeping or napping facility.

The nap concept we are testing is a zero gravity nap chair which uses a headphone to bring deep sleep waves into the ear and puts one into a deep REM sleep. Supposedly, this results in a timed 20 minute sleep which has the same benefit as a three hour nap.

If the trial shows positive response from passengers and proves financially viable, then we would return to the Commission for approval to conduct a competitive selection process for a lease.

The location is to the right of the entry foyer where you take the elevator up to the 5th floor Administrative Offices in the International Terminal, next to the Airport Travel Agency.

Commissioner Crayton noted that the cost would be between \$20-\$25 for a 20 minute nap, so she will be interested in the public's reaction. She asked if this is the only firm that does this.

Mr. Fermin responded that he believed there are at least three different companies that provide some sort of a sleeping concept.

Commissioner Crayton asked what other airports provide this service.

Commissioner Guggenhime noted that the lease will also provide for three showers and asked if this is the only location where international travelers can take showers, other than in a First Class lounge.

Mr. Fermin responded that it is.

Commissioner Johns asked if a passenger would have to utilize the nap chair in order to use the showers.

Mr. Fermin responded that they are being priced separately. The fee for a shower will be \$15.

Commissioner Crayton asked if they will be open 24 hours.

Mr. Fermin responded that they will not be open 24 hours during the trial. He will confirm the hours with the operator.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 18, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Authorize Airport Staff to Enter into a Reimbursable Agreement with the Federal Aviation Administration to Prepare the Airport Traffic Control Tower Siting Study and Issue Prepayment in an Amount Not-to-Exceed \$450,000

No. 07-0130 Resolution authorizing Airport Staff to enter into a reimbursable agreement and issue prepayment in an amount not-to-exceed \$450,000 with the Federal Aviation Administration to Prepare the Airport Traffic Control Tower Siting Study for the San Francisco International Airport.

8. Award of Contract No. 8682 - Superbay Hangar Roof Repair - Phase 2 - Pioneer Contractors, Inc. - \$334,540

No. 07-0131 Resolution awarding Contract No. 8682, Superbay Hangar Roof Repair, Phase 2, to the lowest responsive, responsible bidder, Pioneer Contractors, Inc., in the amount of \$344,540.

9. Award of Contract No. 8683 - Airport Mechanical and Plumbing System Improvements - Architectural General Construction, Inc. - \$244,280

No. 07-0132 Resolution awarding Contract No. 8683, Airport Mechanical and Plumbing System Improvements, to the lowest responsive, responsible bidder, Architectural General Construction, Inc., in the amount of \$244,280.

10. Modification No. 1 to the Professional Services Agreement - Contract No. 8746 Jacobs Consultancy, Inc. - Not-to-Exceed \$450,000

No. 07-0133 Resolution approving Modification No. 1 to the Professional Services Agreement to increase compensation in an amount not-to-exceed \$450,000 to Jacobs Consultancy, Inc., to provide professional services to develop a Demand Management Plan for SFO and provide additional aviation planning services for a total contract amount not-to-exceed \$925,000.

11. Modification No. 2 to Contract No. 5450.1 - Professional Services for Remodeling Terminal 2 and Boarding Area D - Gensler/Michael Willis, Associated Architects - \$400,000

No. 07-0134 Resolution approving Modification No. 2 to Contract 5450.1, Professional Services for Remodeling Terminal 2 and Boarding Area D with Gensler/ Michael Willis, Associated Architects, in the amount of \$400,000 for planning support and conceptual design services.

12. Approve Revised Business Terms for the Private Sector Registered Traveler Lease and Authorization to Issue a Request for Proposals

No. 07-0135 Resolution approving the revised business terms for the Private Sector Registered Traveler Lease and authorization to issue a Request for Proposals.

Commissioner Guggenheim asked Mr. McCoy if he was satisfied with the revisions.

Mr. McCoy responded that he is. As a result of the extended dialogs staff had with potential bidders we decided to amend the terms. Four subsequent addendums to the original bid match up to these new terms.

We conducted a pre-bid meeting and had three different conference calls, and our terms were revised based on the extensive feedback.

Commissioner Guggenheim assumed that this was consistent with other bids.

Mr. McCoy responded that it is. We did a survey on Registered Traveler Programs in six other airports. We have taken a look at four contracts written at other airports, and this is in line with those contracts.

Commissioner Ito asked what other airports have this program.

Mr. McCoy responded Cincinnati, Orlando, Reno, Indianapolis, JFK in two different terminals, and San Jose. Denver and Atlanta have RFPs out, and Los Angeles is beginning the process.

13. Reject All Bids - Contract No. 8256BR - Underground Utilities Improvement - Storm Drainage Pump Stations 17 & 18 Replacement

No. 07-0136 Resolution rejecting all bids for Contract 8256BR, Underground Utilities Improvement - Storm Drainage Pump Stations 17 & 18 Replacement, and authorizing the Director to re-bid this contract when ready.

Commissioner Crayton asked what they included in their bids that we did not include in our estimate.

Mr. Ernie Eavis, Deputy Director, Facilities, responded that one of the problems with the bid package was that the electrical work was done as a lump sum and there is a lot of risk when a contractor bids a lump sum. The contractors that bid on the project did not want to take that risk so they bumped that portion of the contract up. When we re-bid this contract we will have more discrete line items for the electrical work so that the risk won't be all on the contractor.

14. Bid Call - Contract No. 8764 - Airport Wide Construction Tasks

No. 07-0137 Resolution approving the scope, budget and schedule for Contract No. 8764, Airport Wide Construction Tasks, and authorizing the Director to call for bids when ready.

15. Bid Call - Contract No. 8517 - Sanitary Sewer Pump Station 4 Replacement

No. 07-0138 Resolution approving the scope, budget, and schedule for Contract No. 8517, Sanitary Sewer Pump Station 4 Replacement, and authorizing the Director to call for bids when ready.

16. Accept and Expend a Grant from the California Air Resource Board for Low-Polluting Construction Equipment - \$978,577

No. 07-0139 Resolution authorizing staff to accept and expend grant offer from the California Air Resource Board in the amount of \$978,577 for the purchase of low-polluting construction equipment.

Total Cost: \$1,861,449

Grant Funds: \$ 978,577
Airport Cost: \$ 882,872

17. Modification No. 4 to Agreement Between the County of San Mateo and the City and County of San Francisco Subsidizing Childcare Services - Not-to-Exceed \$306,500 for FY 2007/08

No. 07-0140

Resolution authorizing Modification No. 4 to extend the agreement between the County of San Mateo and City and County of San Francisco to June 30, 2008 and guaranteeing revenue for childcare services up to \$306,500 for FY 2007/08.

Commissioner Ito noted that our contribution to Palcare is up and asked how much growth they are experiencing.

Mr. Fermin responded that we have increased the subsidy from \$250,000 to \$306,500 primarily because of cost increases that Palcare is experiencing. Additionally, we have added close to \$5,000 for scholarships for low-income Airport families.

Commissioner Ito asked if they are anticipating new employees coming in as a result of the additional carriers coming in to SFO.

Mr. Fermin said that Palcare has encountered increases in their labor costs over the last several years and we are trying to help them out by increasing their subsidy. They are anticipating new entrants, however, the problem is that Palcare is pretty full and there is a waiting list for Airport families. Palcare has been looking at trying to expand their facility on the second floor to accommodate more Airport children. That project has been put on hold because Palcare's Executive Director has left for another position and they are in the process of finding a replacement. We are waiting for Palcare to return to us and begin discussions on expanding the facility in the future.

18. Transfer in Ownership of Certain Airport Agreements from Sale of Majority Interest in Vanguard Car Rental Group to Enterprise Rent-A-Car Company

No. 07-0141

Resolution consenting to the transfer in ownership of certain Airport Agreements from Vanguard to Enterprise resulting from the sale of majority interest in Vanguard to Enterprise.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of

up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:39 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:05 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

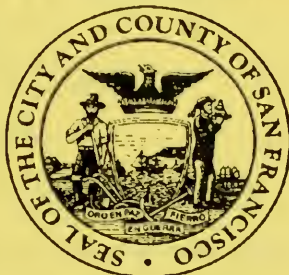
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L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:06 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

DOCUMENTS DEPT.

June 19, 2007

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9:00 A.M.

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ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
June 19, 2007

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AIRPORT COMMISSION MEETING MINUTES

June 19, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:01 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenhime

Absent: Hon. Larry Mazzola, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 5, 2007 were adopted unanimously.

No. 07-0143

* * *

- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 07-0142 regarding the settlement of an unlitigated Business License Tax Dispute with the City of So. San Francisco re Long Term Public Parking Facility at Lot DD in the amount of \$160,000 at the closed session of June 5, 2007.

* * *

E. SPECIAL ITEMS:

Item Nos. 1 through 4 were called together. They were moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Retirement Resolution - Rudy Perez

No. 07-0144

Resolution thanking Mr. Rudy Perez for 32 years and 6 months of service with City and County of San

Francisco, 32 years at San Francisco International Airport and best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director, said that Mr. Perez is retiring as an Electrician Supervisor and has worked at the Airport for 32 years. A few years ago Rudy was named Airport Employee of the Year. Rudy actively promotes good will among Airport employees. He has done an outstanding job in leading the holiday decoration program and holiday lights on the roadways. We will miss Rudy's great work as well as his positive spirit.

He thanked Rudy for his service.

Mr. Perez thanked Mr. Martin and the Commission. He said that his 32 years at the Airport was amazing. Everyone has been very good to him and he has enjoyed working at SFO. It feels as if he just started yesterday.

2. Retirement Resolution - Wayne Johnson

No. 07-0145 Resolution thanking Wayne Johnson for 30 years of faithful service and best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Johnson has been with the Airport for 29 years; 30 years with the City. He started as a Laborer, working his way up to be head of the Laborer's, then switching to the Terminal Management side in the International Terminal about 8 or 9 years ago. He was key to the successful activation and opening of the International Terminal. We greatly appreciate Wayne's dedication and his contribution to the great success of the International Terminal operation.

Mr. Johnson thanked the Director and the Commission, saying that he hoped that his next 30 years are as enjoyable as the ones spent at SFO.

The Airport is the best department in the City.

3. Retirement Resolution - Nancy Smetanka

No. 07-0146 Resolution thanking Nancy Smetanka for 10 years of faithful service and best wishes for a long and fruitful retirement.

Mr. Martin said that Nancy Smetanka started our Customer Service 10 years ago and has run it ever since. The responsibilities have grown tenfold, if not more in that 10 year period. Among Nancy's many responsibilities is the supervision of the 170 Traveler's Aid volunteers, a group that did not report to the Airport prior to the establishment Customer Service office.

Nancy has shown a great level of dedication to meeting customer needs and

responding to every concern expressed by customers. It has been a monumental task given all of the travelers going through the Airport.

We are grateful to Nancy for establishing the Customer Service Office and for her contribution to the high levels of service at SFO.

Ms. Smetanka thanked Mr. Martin and the Commission. She said that it has been an honor to be the first Manager of Customer Service at SFO ... to open that office and to develop it in so many ways through so many changes over the last 10 years. To be a small part of the huge accomplishments that the Airport has made in the last 10 years and to personally be able to implement many customer focused changes, but the greatest pleasure has been interacting with thousands and thousands of our Bay Area residents and travelers that we have been able to help and provide a human approach to the sometime stressful airport scene.

Thank you for the honor.

4. Commendation - Gerald R. (Bob) Baker

No. 07-0147

Resolution commending Gerald R. (Bob) Baker for his 15 years of service with Ampco System Parking at San Francisco International Airport.

Mr. Martin said that Mr. Baker is retiring as the Parking Manager at SFO. He has worked in the parking industry for 48 years, and has spent the last 15 years as the General Manager for Ampco at SFO. Bob has seen a lot of changes at the Airport in 15 years ... three new public parking garages that opened up under his watch and two new revenue control systems.

Bob has done a great job in helping to set a high customer service standard for our parking operations. We appreciate his leadership and management.

Mr. Baker thanked the Director for his kind words. He said that 15 years seem like a minute. It was challenging and exciting, but never boring.

Commissioner Crayton, on behalf of the Commission, thanked each retiree for their enthusiasm and dedication. She said that she was not sure what was in the water at the Airport, but everyone looks so well.

She noted that these employees have a total of 87 years of knowledge that is leaving us. She thanked them all for their service and diligence.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton asked what our policy is on overnight passengers at SFO for both U.S. and non-U.S. citizens.

Mr. Martin responded that we permit travelers (people who have tickets or planning to travel) to stay in the Airport overnight. People who do not have business at the Airport are not encouraged to stay. We started to encounter a homeless problem but we have worked with the new rule to reduce it. San Mateo County has been very supportive of that effort and has helped people connect with the appropriate services as well.

Commissioner Johns assumed that passengers whose flights are cancelled and either can't find or can't afford a hotel room would be able to remain at SFO.

Mr. Martin responded that they would have to remain pre-security, but we allow people to sleep on seats or on the floor. There are two restaurants that are open all night.

Mr. Tryg McCoy, Deputy Director, Operations and Security, added that the Airport Duty Managers and San Francisco Police Department patrol the Airport throughout the evening. Sometimes passengers get stranded, or they come from long distances and arrive at 2:00 AM or 3:00 AM for a flight that will depart at 7:00 AM or 8:00 AM. It's very easy to tell the passengers from those that are not passengers.

Those individuals who are choosing to reside at the Airport or use it for lodging for extended periods of time are approached.

We make no distinction between passengers who are U.S. citizens and those who are not.

Commissioner Johns asked if passengers waiting overnight for flights can go past security.

Mr. Martin responded that boarding areas are closed down after the last flight.

Mr. Martin said that there is a website that rates the comfortableness of sleeping overnight at airports, and we rate fairly high.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

5. Award of Contract No. 3570B - Taxiway L Reconstruction - Phase II - Ghilotti Bros., Inc. - \$2,570,330

No. 07-0148

Resolution awarding Contract No. 3570B, Taxiway L Reconstruction, Phase II, to the lowest responsive, responsible bidder, Ghilotti Bros., Inc., in the amount of \$2,570,330.

Mr. Ernie Eavis, Deputy Director, Facilities, explained that this resolution awards Contract No. 3570B to Ghilotti Bros. The contract will overlay, reconstruct and place taxiway lights on the northernmost portion of Taxiway L portion, north of

28R and Taxiway C.

Pavex, the apparent low bidder, failed to include their bid bond in the bid package, thus rendering their bid non-responsive. This resolution awards the contract to the second low bidder, Ghilotti Bros. Their bid is approximately \$100,000 over this project. The contract is FAA funded and is within our budget.

Commissioner Guggenhime asked if it was absolutely clear that this is standard practice ... if things are not in on time, it is an absolute rule.

Mr. Eavis responded that that is the way it is right now. We are taking a look at placing the bid bond in the first portion of the bifurcated bid so that we don't open the actual bid until we see that a bid bond is present. We may change the policy so this doesn't happen.

Commissioner Guggenhime asked if late bids were excluded as a matter of rule.

Mr. Eavis responded that they are.

Commissioner Johns noted that they have lots of contracts with the Airport. This was just sloppy work.

Mr. Eavis said that Pavex told him they would not fight this award. They acknowledge their mistake.

Commissioner Crayton asked if there is a checklist in the package.

Mr. Eavis responded that there is.

Item No. 6 was removed from the calendar without discussion.

6. Award of Contract for Marketing Services - The M-Line - \$1,000,000

Resolution awarding the Marketing Services Contract to the M-Line, an HRC-Certified LBE firm, to retain and develop airline service and support internal revenue-generating SFO divisions in the amount of \$1,000,000 for the first year of the contract.

Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Modification No. 1 to Professional Services Contract No. 8754 - The Louis Berger Group, Inc. - \$250,000

No. 07-0149

Resolution approving Modification No. 1 to the Professional Services Agreement with the Louis

Berger Group, Inc., to increase compensation in an amount not-to-exceed \$250,000 to provide services in support of the Domestic Terminal Redevelopment Plan to develop alternatives, prepare documentation on the alternatives analysis process, and provide additional as-needed Airport planning support for a total contract amount not-to-exceed \$450,000.

Ms. Danielle Rinsler, Director, Planning, explained that over the last year the Airport has shifted its focus to facilities planning to appropriately plan for domestic terminal redevelopment and other Airport facilities to meet anticipated demand growth from the passenger and cargo airline industry.

The Airport is currently in the alternatives development phase of the Domestic Terminals Redevelopment Project (DTRP). We have currently narrowed down the feasible redevelopment alternatives to two schemes. The Planning team is evaluating the airside operational capability of each scheme to determine whether it meets the forecast demand and aircraft gate requirements, whether the scheme includes the operational performance of the airfield, or maintains current operational performance standards.

We are also looking at the landside functionality of each scheme, including passenger flow from the curbside through the terminal complex to the gate.

The next steps in the alternatives evaluation process include:

- Refinement of the two remaining alternatives to ensure that the proposed plans reflect the programmatic requirements of the DTRP.
- Development of preliminary phasing plans for the ultimate redevelopment program, including the near-term plans for Terminal 2 redevelopment.
- Preparation of preliminary cost estimates for the two schemes by two independent cost estimators to enable the Airport to evaluate the cost of the improvements relative to the Airport's long term financing ability.
- Simulation analyses to evaluate the airside and landside operational performance of each scheme relative to the other.
- Further refinement of the schemes as needed to select a preferred alternative.

The resolution before the Commission is for the Louis Berger Group and their subconsultant, Transystems, Inc., to provide continued professional services related to the development of alternatives and documentation of the planning process. In order to meet the expedited project schedule it was necessary to establish two teams of terminal planners to refine the initial eight schemes and to carry forward the two remaining schemes for further refinement. Initially, when we sought Commission authorization for this contract in February, we did not anticipate having a second team to support this phase.

Louis Berger will continue to coordinate the work of the alternatives development team and prepare associated documentation. TranSystems will be responsible for conceptual drawings, refined schematics, and preliminary phasing plans for one of the terminal redevelopment schemes that is being carried forward for further

refinement.

Commissioner Ito asked about the roll-out of what the Airport needs to do and the timeframe of the new airlines and their gate needs. Are we collapsing the timeframe on this part of the planning because of the urgency for some airlines?

Mr. Martin said that Commissioner Ito hit the heart of the issue. We are going through an accelerated planning process so we can identify the preferred option. That involves an update of passenger projections and gate utilization studies. We do feel some pressure to make sure that we have Terminal 2 ready in time to meet anticipated growth, particularly of the new carriers.

Commissioner Ito asked about the timeframe of this particular contract.

Ms. Rinsler responded that the timeframe for the alternatives evaluation is to have a preferred alternative identified by August, which we will get to via cost estimating, phasing and implementation planning and the simulation analysis. By August we will have a preferred alternative defined and then we will get into a project definition phase between August and early next year. At the same time we are proceeding with the Terminal 2 planning and initial design work.

Commissioner Johns noted that we discussed this at the last Commission meeting when we approved a number of consultants and asked why this item was not mentioned at that time. Why weren't we given the whole package at once.

Mr. Martin said that we have a graphic that we will be sending to the Commission to explain the whole process. This work is within the anticipated budget and the budget was approved by the Airport Commission.

Commissioner Johns felt that it should have come to the Commission as a total package with a time line.

Ms. Rinsler said that these tasks are part of the Planning as-needed services contract so we are coming back to the Commission on a task by task basis rather than a lump sum amount at the beginning of the process. As we identify tasks for firms in the pool we will return to the Commission with a number of tasks going forward. In the coming months additional tasks will be awarded that may or may not be related to the Domestic Terminal planning but may be related to the Airport Layout Plan update, which is a land use planning effort. We will be using firms within the pool. Given the limited budget for planning services, our approach has been to return to the Commission as we identify tasks versus coming to the Commission with one large lump sum amount before tasks have been identified.

Commissioner Johns assumed that staff knew these services would be needed but were not specific about what tasks would be needed from this entity.

Ms. Rinsler told Commission Johns that she was correct.

Mr. Martin said that given the direction received from the Commission, we want to come back for each major task for approval, but we need to provide the

Commission with the overall framework so that you will know what is coming up in the next year.

Commissioner Johns said that would be helpful.

Mr. Martin said that the Commission will receive an off-calendar memo.

Item No. 8 was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

8. Authorization to Issue a Request for Proposals for Design-Build Services for Contract No. 8204A, Secure Connector - Terminal 3 to Boarding Area G

No. 07-0150	Resolution authorizing staff to Issue a Request for Proposals for Design-Build Services for Contract No. 8204A, Secure Connector, Terminal 3 to Boarding Area G.
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Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this project will provide a post-security path of travel between Boarding Area G and Terminal 3 for domestic to international connecting passengers. This will eliminate the need for connecting passengers to re-screen through security checkpoints, thus reducing checkpoint congestion. It will also alleviate the need for United Airlines to provide a shuttle service for connecting passengers.

The Secure Connector consists of a 340 foot section of elevated pedestrian bridge with a tower section at the Boarding Area G end with escalators, elevators and a stairway. The tower section accommodates the elevation change from the departures level of Terminal 3 to the departures level of Boarding Area G. There are deep-piled foundations, similar to our large structures at SFO, pile caps and cast in place concrete columns supporting the steel super structure.

This project has been in the design phase for almost two years. It has been delayed due to efforts of the Airport project team and the Department of Public Works design team to develop alternative schemes and produce design simplifications to reduce the estimated cost of construction. The cost estimates indicated that the design is overly complex, however, there is a potential scheme that is a much simplified version. With the assistance of a peer review architectural firm, a preferred concept has been developed which simplifies the design and removes a lot of the complexities of the structural system, in particular the foundations and the steel super structure. The new concept has been brought to a schematic design level of completion ... the floor plan layouts, the elevations and the space relationships.

Given the current status of the project, and the Airport's desire to expedite its completion, staff is proposing to move forward with the project as design-build. This will allow the Airport to complete the project in an expedited fashion, while taking advantage of design efficiencies developed by the design-build team to most cost effectively construct the facility.

Under a design-build procurement, the Airport will specify certain architectural elements of the facility in order to maintain the architectural integrity of what we are trying to achieve in accordance with Airport standards, and in accordance with the project as approved by the City's Civic Design Review Committee. However, the contractor will have the flexibility to develop design efficiencies in the structural design, in the mechanical/electrical/plumbing design, and in the architectural elements not critical to its appearance and function. They will work with the suppliers and their designer in developing a design that takes advantage of these types of design-build systems. Mechanical systems, for example, are typically design-build. The contractor will still be required to submit all proposed designs, calculations, products and materials for Airport review and approval.

The Airport has used design-build contracting to successfully implement past projects, including the in-line EDS baggage screening systems construction, and most recently the Air Cargo Pilot Program. Applying design-build to a small architectural project such as the Secure Connector will assist staff in evaluating whether it is an appropriate delivery method for SFO on larger upcoming terminal renovation projects.

The Airport will prepare a selection process based on FAR guidelines, similar to the "Best Value" process used for the Air Cargo Pilot Program and in-line EDS systems. The RFP process will assess each firm's qualifications for providing design-build services on similar types of projects. A selection panel will evaluate the proposals based on technical qualifications and experience, design approach, cost, schedule and management plan.

Following the evaluation, staff will return with a recommendation to award the contract to the highest ranked design-build team. We estimate the cost of the project at about \$15 million and the duration to construct at 12 months. Funding is provided partly from Federal funds, with the majority of funds coming from Airport Capital Improvement Program funds.

Commissioner Guggenheim said that this is absolutely essential. There is nothing worse than going through security each time you change terminals. He strongly urged looking at a system which would connect the domestic terminals, eliminating the need for going through security multiple times. Passengers will choose an airport where they don't have to do that.

Commissioner Ito thought we were under a mandate to use DPW services for design and planning and asked if we were off the hook and were now able to hire a private contractor. Two years seems like a long time to study this.

Mr. Satero responded that it is a long time, and we are off the hook. It is Federally funded so we are allowed to pursue design-build. The Administrative Code allows for design-build solicitations as well.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 19, was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

9. Authorization to Enter into a Contract with Swap Financial Group, LLC in Connection with the Airport's Financing Program - Not-to-Exceed \$405,000

No. 07-0151

Resolution authorizing the Director to enter into a contract with a selected Swap Financial Advisor in connection with the Airport's Financing Program in an amount not-to-exceed \$405,000 over the next three years.

Commissioner Johns noted that the Swap Financial group was authorized in December 2004 and asked if we were still confident that they are the top group.

Mr. Ben Kutnick, Finance, responded that they are one of the industry leaders. All they do is provide swap advisory services. We didn't engage them the first time because we were actually pricing the swaps the same week the Commission approved the selection from the pool. There was simply no time to bring them into the transaction. We were in a hurry to get to market as interest rates were rising. If we had done another transaction between December 2004 and today, we would have come back to you sooner.

They are an excellent firm and they do provide some independence as a swap advisor. Although PFM did a great job for us on the last transaction, they were our financial advisor. We think the independence of having a swap advisor separate from our financial advisor makes sense for us, both in actual terms and perception.

10. Award of International Aviation Consulting Services Contract - Gerchick-Murphy Associates - \$125,000

No. 07-0152

Resolution awarding the International Aviation Consulting Services Contract to Gerchick-Murphy Associates for the period July 1, 2007 thru June 30, 2010, for an annual amount not-to-exceed \$125,000.

Commissioner Johns noted that only one entity responded.

Ms. Kandace Bender, Deputy Director, Communications and Marketing, said that five people downloaded the RFP. We advertised on the City website, the Airport website, and Aviation Daily for one week. She felt it was because it was very defined in terms of needing someone who could deal with the Department of Transportation and the Washington element.

Commissioner Johns asked Ms. Bender if she is satisfied with their work.

Mr. Bender responded that she is. She said that another company was

interested in bidding but when she contacted them she was told that they had decided to go in a different direction.

Commissioner Ito asked what measureables were used to determine that they helped us to retain airlines and develop our cargo service.

Ms. Bender responded that they were very instrumental in helping us with the recruitment of our 12 new airlines. They helped us identify those airlines, both domestic and international, that would be most likely to serve the San Francisco market. They were also very helpful during the Virgin America application process with the Department of Transportation by providing guidance for us on what kinds of things we needed to do to assist in that effort.

11. Approve a Consultant Pool for Contract No. 8690 - On-Call Environmental Consulting Services

No. 07-0153 Resolution approving a pool of three consultants for Contract 8690, On-Call Environmental Consulting Services to support Airport staff in performing various environmental tasks.

12. Modification No. 2 of Professional Services Contract - Polaris Research and Development, Inc. - \$33,500

No. 07-0154 Resolution approving Modification No. 2 of Professional Service Contract with Polaris Research and Development, Inc., to exercise the first of three one-year options for the Annual Passenger Survey and discontinue the Airports Council International Airport Service Quality Survey, beginning July 1, 2007 and ending June 30, 2008 in the amount of \$33,500, for a new total contract amount not-to-exceed \$196,800.

Commissioner Johns was curious why we were discontinuing the ACI survey but were increasing their contract.

Ms. Bender responded that we are increasing the contract for our Annual Passenger Survey, which we do every Spring. We are not increasing it by an additional \$35,000 because we are not participating in the ACI survey.

Commissioner Johns assumed that if we had continued with that contract it would have been \$70,000. She asked why aren't we continuing with it?

Ms. Bender responded that the cost would have been around \$70,000. We looked at that survey and we felt it was not useful. Not that many U.S. airports participate. The criteria was not usable for us.

Commissioner Ito asked what will be used.

Ms. Bender responded that we will continue with our own passenger survey that we do every year.

Commissioner Crayton asked what survey was recently used to rate airports.

Ms. Bender responded that it was J.D. Powers.

Commissioner Crayton asked how we rated in that survey.

Ms. Bender responded that we fell right in the middle on the ACI survey. The methodology used and whether it was consistent at all airports is a little uncertain. Some international airports did their own survey and actually came to SFO. It was unclear if it was a standard methodology across the board.

Commissioner Johns asked if we have any input on the questions asked in our survey.

Ms. Bender responded that we do not have input on the ACI survey. However, we do have input on our passenger survey and we modify it from year to year. For example, this time we asked a lot of questions about parking habits so that we could begin to identify if people want closer, do they want long term, is pricing a deciding factor, so that we can supplement our marketing efforts as well. Most of the questions are standard so we have a base that we can look at year after year.

Commissioner Johns noted that our annual passenger survey did not seem to produce the same results as the J.D. Powers survey.

Mr. Martin said that the J.D. Powers survey defies any kind of logic. Think of your own experience using the top rated airports ... Newark, Atlanta and L.A. were rated higher than SFO.

Commissioner Crayton said that she flies two or three times a week and she does not know what questions they use. Her company is also rated by J.D. Powers and they have no idea how they rate the way that they do.

SFO is much, much better than the way we are rated.

13. Reject All Bids - Contract No. 8255C - Waterline Inspection and As-Needed Utilities Repairs

No. 07-0155

Resolution rejecting all bids for Contract No. 8255C, Waterline Inspection and As-Needed Utilities Repairs, and authorizing the Director to re-bid this contract when ready.

14. Bid Call - Contract No. 8300B - Runway 28L-10R Overlay and Reconstruction

No. 07-0156 Resolution approving the scope, budget, and schedule for Contract No. 8300B, Runway 28L-10R Overlay and Reconstruction, and authorizing the Director to call for bids when ready.

15. Bid Call - Contract No. 8525 - Airfield Marking and Lighting Improvements

No. 07-0157 Resolution approving the scope, budget, and schedule for Contract No. 8525, Airfield Marking and Lighting Improvements, and authorizing the Director to call for bids when ready.

16. Bid Call - Contract No. 8110 - Runway Rubber Removal, 2007-2009

No. 07-0158 Resolution approving the scope, budget, and schedule for Contract No. 8110, Runway Rubber Removal 2007-2009, and authorizing the Director to call for bids when ready.

17. Bid Call - Contract No. 8351B - Airfield Drainage Improvements

No. 07-0159 Resolution approving the scope, budget, and schedule for Contract No. 8351B, Airfield Drainage Improvements, and authorizing the Director to call for bids when ready.

18. Acceptance and Expenditure of Transportation Security Administration (TSA) funding for the K-9 Explosives Detection Team Program of Up to \$177,587

No. 07-0160 Resolution authorizing the acceptance and expenditure of Transportation Security Administration (TSA) funding of the K-9 Explosives Detection Team Program of up to \$177,587.

19. Authorization to Accept and Expend State of California 9-1-1 Emergency Communications Funding of SFO Communications 9-1-1 Phone Upgrade (Capital Project Number 8483) of Up to \$139,462.72

No. 07-0161 Resolution authorizing staff to accept and expend State of California 9-1-1 Emergency Communications Funding of SFO Communications 9-1-1 Phone Upgrade System of up to \$139,462.72.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:43 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Airis SFO, LLC; Airis Holdings, LLC; and Duane Morris, LLP v. CCSF, San Mateo Superior Court Case No. 448274; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

The Commission reconvened its public session at 10:05 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:06 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

July 3, 2007

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
July 3, 2007

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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C.		ADOPTION OF MINUTES:		
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D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Alice Sgourakis	07-0163	4-5
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E.		ITEMS INITIATED BY COMMISSIONERS:		6-7
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F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Authorization to Negotiate a Contract with Verified Identity Pass, Inc. to Provide Services for Private Sector Registered Traveler Lease	07-0165	7-8
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	6.	Modification No. 3 to Professional Services Agreement - Replacement Aircraft Noise System - Lochard Corp.	07-0168	11
	7.	Reject all Bids - Contract 8735 - Terminal Companion Restrooms	07-0169	11

8.	Assignment of Work Under Contract 8323 - Elevator, Escalator and Electric Moving Walk Repair and On-Call Service - From Vertrans Elevator to Thysekrupp Elevator	07-0170	11
9.	Agreement with the County of San Mateo for Services Provided by the Airport/Community Roundtable	07-0171	11-12
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AIRPORT COMMISSION MEETING MINUTES

July 3, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenhime

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:02 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:35 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 19, 2007 were adopted unanimously.

No. 07-0162

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Retirement Resolution - Alice Sgourakis

No. 07-0163

Resolution thanking Alice Sgourakis, Manager of Landside/Ground Transportation, for 12 years of faithful service with the San Francisco International Airport and wishing her a long and fruitful retirement.

Mr. John Martin, Airport Director, said that Alice is retiring after 12 years of service to the City, all of which were at SFO. She has served as Manager of the Landside Division for the last several years. Trying to keep a level playing field and a high level of customer service has been very challenging. Alice has done a stellar job in always insuring a high level of safety, customer service, and fairness to all of the operators. The bottom line is that our ground transportation program is respected in the industry as one of the very best, producing the highest level of transit ridership of any airport in the country. We thank Alice for her great work and the great respect that she enjoys from the staff and from the ground transportation operators.

Commissioner Crayton also thanked Ms. Sgourakis for her kindness. She most appreciated the way in which Alice dealt with the customers at SFO, her friendliness and her quick responses.

Commissioner Crayton thanked Ms. Sgourakis for her hard work and wished her well.

Commissioner Ito also thanked Alice for her work, for making sure that the ground transportation operators behaved themselves, for providing the kind of service we need at SFO, and for mitigating a lot of the controversy that has come from the various entities. She appreciated Alice's oversight.

Ms. Sgourakis appreciated the Commission's support as well as the support of Mr. Martin, Mr. McCoy, Mr. Thompson, Mr. Duke Briscoe, Mr. Edwin Leung. Their confidence in her made her job easier.

Commissioner Mazzola thanked Ms. Sgourakis for her service.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution - Dolores Blanding

No. 07-0164

Resolution thanking Ms. Dolores Blanding, Airport Human Resources Director, for 23 years of faithful

service with the City and County of San Francisco, 8 of which were at San Francisco Airport, and wishing her a long and fruitful retirement.

Mr. Martin said that Dolores was retiring after 23 years of service with the City, eight of which have been at SFO. Dolores presently serves as the Director of Human Resources for the Airport. She has done a tremendous job of maintaining a high level of customer service and representing the Airport's interests under very challenging circumstances. Dolores also served as the Labor Relations Manager in the Airport's Human Resources department where she handled a number of labor negotiations on behalf of both the Airport and the City. She has always promoted good will among her employees and Airport staff.

Mr. Martin thanked Dolores for her outstanding work over the years.

The Commission thanked Ms. Blanding.

Ms. Blanding said that she enjoyed her eight years at SFO. She acknowledged the support of Mr. Martin, Ms. Theresa Lee, her former HR Director Rafael Centeno, and the Deputy Directors. She will miss working with Airport staff.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito congratulated our Marketing Department on the Examiner piece on SFO's 80th birthday. She was surprised to see such a substantial piece.

Commissioner Ito asked for an update on the wheelchair issue recently brought before the Commission. She recently had concerns raised to her by passengers, in particular from Philippine Airlines customers. She has had a conversation with Tryg McCoy and would like a clarification on who is responsible for mitigating any OSHA issues. She would like to know what the OSHA report said in response to concerns raised by employees. She also wanted some idea of wheelchair availability. She understood that some airlines may not have enough wheelchairs to meet demand.

She said that our traveling public is aging and we must be proactive and insure that the airlines are aware of the level of need. She acknowledged that cost could be a factor.

Commissioner Ito had questions regarding our new 10 finger fingerprinting security process in Customs. She wanted to know what it entails, and if there are additional security issues given what has been going on in London this week.

Mr. Martin said that we have not heard back from Cal OSHA. We will work with our Sacramento representative, Alan Edelstein, regarding this issue. We will also follow up with a written report on the adequacy of the wheelchair support. Philippine Airlines does have the highest demand for wheelchairs, but we need to insure that every passenger has the service available and does not have to wait.

Regarding the security process, Mr. Martin said that he will provide the Commission with

a written report on the new 10 finger fingerprint process, which will also be used for the Registered Traveler Program. More detail will be provided on security efforts overall.

Commissioner Crayton said that at the last Commission meeting she brought up the issue of foreign nationals and what happened to them when they arrived after hours and had to spend the night at SFO. At a recent Human Rights Commission meeting she was told of an incident at SFO where people of Persian descent were arrested. She spoke with Tryg and the Director regarding what we are doing at SFO versus U.S. Customs requirements. What are our policies and what systems do we have in place?

She said that the HRC would like a tour of the holding area at the Airport for those passengers who arrive for a connecting flight to another country and don't clear customs. She also asked for a report regarding what the Airport has done and the actual procedures.

Mr. Martin said that he sent a letter to the HRC detailing the facility, which is now up and running. He would be happy to provide a tour, perhaps in August. He will also provide the Commission with a copy of the letter that was sent to the HRC.

Commissioner Crayton said that the HRC would like to address the Commission so it would be helpful if the tour could take place prior to that Commission meeting.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Authorization to Negotiate a Contract with Verified Identity Pass, Inc., to Provide Services for the Private Sector Registered Traveler Lease

No. 07-0165

Resolution authorizing Airport staff to negotiate a contract with Verified Identity Pass, Inc., to provide services for the Private Sector Registered Traveler Lease for a period of five years commencing October 1, 2007 through December 31, 2012.

Mr. Tryg McCoy, Deputy Director, Operations and Security, explained that the resolution before the Commission is the third step of a four part process to award a contract for a private sector registered traveler program.

On April 16 of this year the Commission adopted a resolution approving the business terms and the issuance of a Request for Proposals (RFP) for a Private Sector Registered Traveler Program.

On June 5, 2007, the Commission approved the revised business terms of the RFP that resulted from pre-bid discussions with the pool of TSA-certified vendors.

The resolution before the Commission this morning seeks approval to negotiate a

contract with the highest ranked qualified proposer, Verified Identity Pass, Inc.

A panel of experts reviewed and ranked the two qualified proposals received from FLO Corporation and Verified Identity Pass, Inc. Verified Identity Pass, Inc's proposal was awarded 92 points and FLO's proposal was awarded 67 points.

With the Commission's approval this morning, staff is prepared to enter into negotiations with Verified Identity Pass by the end of this week and return to the Commission at its next meeting for award of the contract.

As this contract has a five year term and is in excess of \$1 million, the Board of Supervisors will have to approve the contract prior to commencing Registered Services. We believe that this process can be concluded in time so that the public can begin enrollment and the service can begin by October 1, 2007.

Commissioner Guggenheimer said that he has signed up for this service and all five fingers of each hand are taken, in addition to an eyeball test. It's a very thorough identification procedure.

Commissioner Crayton asked how long the approval process takes.

Commissioner Guggenheimer said that the approval process is 30 days.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of Professional Services for Contract No. 8768 - Airport Hotel Massing Study and Cost Estimate Project - Don Todd Associates, Inc. - \$100,000

No. 07-0166 Resolution awarding Selection Panel's nomination of Don Todd Associates, Inc. in an amount not to exceed \$100,000 for Professional Services for the Airport Hotel Massing Study and Cost Estimate Project.

Mr. Leo Fermin, Deputy Director, Business and Finance, said that in June 2006 the Commission authorized a contract with Jacobs Consulting and Rick Swig to conduct a feasibility study of market demand for an on-Airport hotel. That study involved a survey of hotels in the Airport vicinity and their performance; an analysis of the pros and cons of different development alternatives; whether the current and future demand for hotel rooms would support an on-Airport hotel; the optimum number of rooms, food and beverage facilities, meeting space, square footage and general amenities; the projected average daily room rate, the projected occupancy levels, and the potential gross revenues and operating expenses.

The consultants now recommend that the next logical step is to have the hotel site analyzed to determine whether the optimal number of room size of 400 rooms can actually fit on the site, given the roadways and the AirTrain footprints in the vicinity. Also, a construction cost assessment is needed in order to determine the financial

viability of the hotel. This agenda item seeks Commission authorization for this Massing and Construction Cost Study. Concurrently, we have two investment banking firms preparing pro bono preliminary financing feasibility analyses. Once the Massing and Cost Study is done, the banks can assess financing feasibility. At that point we can return to the Commission with a recommendation as to whether or not we should proceed with the hotel, and, if so, what development and financing approach to undertake.

Commissioner Crayton asked if Don Todd has experience in massing studies.

Mr. Fermin responded that Don Todd is partnering with Patri Merker Associates, a hotel architecture firm which lists the Intercontinental and the Marriott among their clients.

Commissioner Johns said that when Rick Swig returned to the Commission with his study, she remembered having a discussion about the results and she thought that the Airport was told that it should not go ahead with the development.

Mr. Martin responded that Mr. Swig said that the numbers were marginal on whether or not the project would work. Mr. Swig recommended performing a massing study to be presented to investment bankers to get a better sense of whether they think the numbers would work. They would want this massing study in hand to make that evaluation.

Commissioner Johns asked if the Airport itself would go into the development of this hotel, or would it be put out for some other developer.

Mr. Martin responded that no decision has been made. The evaluation will include whether or not we go forward with the hotel, and whether the Airport develops it or we enter into a development contract.

Commissioner Johns asked what the difference is between this and Rick Swig's work.

Mr. Martin said that this is a step along the way. Rick Swig covered the first several steps in the continuum and he recommended that we go to this next level of detail and continue along the continuum so that we have more information directly back from the relevant parties. The numbers are very close on the deal so it is not clear at all whether we will go forward.

Commissioner Johns asked how much we spent on the Swig contract.

Mr. Fermin responded that we spent \$84,000 on the Swig contract.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote was 4-1, with Commissioner Ito casting the dissenting vote.

5. Award of Contract for Marketing Services - The M-Line - \$1,000,000

Resolution awarding a Marketing Services Contract to the M-Line, an HRC-Certified LBE firm, to retain and develop airline service and support internal revenue-generating SFO divisions in the amount of \$1,000,000 for the first year of the contract.

Ms. Kandace Bender, Deputy Director, Communications and Marketing, said that in February of this year we issued an RFP for Strategic Marketing Services for the Airport. The RFP requested that a scope of work be provided to develop and implement a marketing plan that would do two things ... promote the unique features of SFO and support the revenue generating tenants and Airport divisions.

The pre-proposal conference was attended by more than 50 people, and of that number three responded to the RFP. One was disqualified for not meeting HRC qualifications. That left us with two firms ... Airport Access and The M-Line.

Because the Airport had a four year relationship with The M-Line we felt that it was more appropriate for us to have an independent panel evaluate the RFPs. We selected a panel that had both diversity and the experience to evaluate the proposals. The evaluation was based specifically on the material in front of them. No independent research was conducted by any of the panelists. The panelists were given the RFP, the proposals, and the score sheets indicating maximum points allowable. The review process resulted in a large difference in scoring. Both panelists subsequently waived their right to interviews.

The panelists unanimously chose The M-Line with 193 total points. In addition, they were awarded 19 points for their LBE status, giving them a total of 212 points. Airport Access was awarded 142 points, resulting in a 70 point difference between the two proposals.

Airport Access subsequently filed a protest based on a scoring category for reference checks that was worth a total of two points each from each panelist, for a combined total of six points.

The City Attorney's Office has thoroughly evaluated the protest and has determined that it is without merit.

We believe that this was a fair process and that everyone was treated the same.

Commissioner Ito asked how many points was allotted for outreach to minority communities.

Ms. Bender responded that she did not know the exact number of points as it was part of the whole scope of work.

She pointed out that in The M-Line's proposal they added Pawan Mehra as a new team member. He is Vice President and Founding Partner of the leading multi-cultural advertising firm, Ameridia. Mr. Mehra will play a key role in helping to develop the multi-cultural approach that we intend to do in our new scope of work.

Commissioner Ito explained her no vote by saying that she knew that Ms. Bender and her team worked very hard to bring in a good proposal but she is uncomfortable with some of the aspects and concerns that have been raised. She felt it warranted trying again. She was puzzled by the large interest at the pre-bid meeting, yet we only received three proposals. It raised some concerns whether the whole proposal was realistic ... are we not spending enough money to do a good job. One million dollars is a lot of money, but advertising and marketing cost a lot. Are we doing ourselves a disservice?

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 10, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Modification No. 3 to Professional Services Agreement for Replacement Aircraft Noise System - Lochard Corporation - \$1,087,000

No. 07-0168 Resolution approving Modification No. 3 to the Professional Services Agreement with Lochard Corp. to enter into the Maintenance Agreement for Phase 1, July 1, 2007 - June 30, 2008 and extend the term of the Agreement for Phase 2 until August 31, 2008, and increase the amount by \$1,087,000

7. Reject All Bids - Contract No. 8735 - Terminal Companion Restrooms

No. 07-0169 Resolution rejecting all bids for Contract No. 8735, Terminal Companion Restrooms, and authorizing the Director to re-bid this contract when ready.

8. Assignment of Work Under Contract No. 8323 - Elevator, Escalator and Electric Moving Walk Repair and On-Call Service with Vertrans Elevator, from Vertrans Elevator to ThyssenKrupp Elevator

No. 07-0170 Resolution approving the assignment of work under Contract No. 8323, Elevator, Escalator and Electric Moving Walk Repair and On-call Service with Vertrans Elevator, from Vertrans Elevator to ThyssenKrupp Elevator.

9. Agreement with the County of San Mateo for Services Provided by the Airport/Community Roundtable - Not-to-Exceed \$125,000

No. 07-0171 Resolution authorizing an Agreement with the County of San Mateo for services provided by the

Airport/Community Roundtable during the period of July 1, 2008 - June 30, 2008 in amount not-to-exceed \$125,000.

Commissioner Ito asked who represents us on the Roundtable.

Mr. Martin responded that he sits on the Roundtable and Mike McCarron fills in for him at times. The Mayor's Office also has a representative who attends regularly.

10. Approval of the Acceptance of Two Donations for the Aviation Library and Museum Collection

No. 07-0172

Resolution approving acceptance of two donations made to the Aviation Library and Museum Collection. The Lauterbach donation is valued at \$18,500 includes uniforms with insignia, employee awards, and original papers from safety training and the formation of the Air Line Stewardess Associ. begun in 1945; the Panter Nielsen donation valued at \$19,605 includes uniforms with insignia, original papers, employee awards, and original United Airlines and flight attendants contracts.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

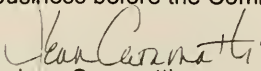
I. CORRESPONDENCE:

There was no discussion by the Commission.

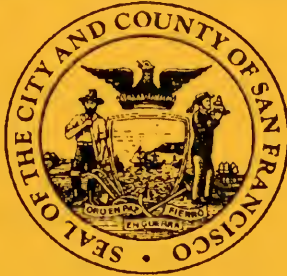
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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:30 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

July 17, 2007

9:00 A.M.

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#1 Dr. Carlton B. Goodlett Place
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City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

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CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
July 17, 2007

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E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
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F.		NEW BUSINESS:		5
G.		CORRESPONDENCE:		5
H.		CLOSED SESSION:		5-6
		Potential Litigation		
I.		ADJOURNMENT:		6

AIRPORT COMMISSION MEETING MINUTES

July 17, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenhime

Absent: Hon. Linda S. Crayton

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 3, 2007 were adopted unanimously.

No. 07-0173

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

No. 1 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Award Private Sector Registered Traveler Lease - Verified Identity Pass, Inc.

No. 07-0174 Resolution awarding the Private Sector Registered Traveler Lease to Verified Identity Pass, Inc., for a period of five years three months commencing on a date to be mutually agreed upon but no later than October 1, 2007 through December 31, 2012.

Mr. Gary Franzella, Associate Deputy Director, Aviation Management, explained

that the resolution before the Commission awards the Private Sector Registered Traveler Program to Verified Identity Pass, Inc.

Staff was authorized to negotiate the terms of the lease with the highest ranked qualified proposer, Verified Identity Pass. The brand name for the product is "Clear." Negotiations have been successfully concluded and staff is submitting the award of the lease for approval.

The lease consists of registering travelers and allowing them to pass through the security checkpoints on an expedited basis. While registered travelers will still be subject to standard TSA security screening, they will be pre-screened in a clear lane and enter the TSA screening process at the front of the line.

There will be three enrollment stations and a minimum of six lanes through the Airport's various checkpoints will be operated. Those six lanes will control the entry to the six Boarding Areas ... Boarding A and G in the International Terminal; Boarding Areas B and C in Terminal 1; and Boarding Areas E and F in Terminal 3.

We have negotiated a term for at least three months, plus five calendar years. This contract would begin no later than October 1, 2007 and run through calendar year 2012. During each lease year, Clear will pay the Airport the greater of a minimum annual guarantee of \$528,884, or percentage rent consisting of 10% of local gross revenues achieved, plus .2% of national gross revenues achieved.

Clear's revenue projections indicate that they could pay percentage rents totaling over \$9.1 million for this term if they reach the goals they have set for themselves.

Board of Supervisors approval is necessary due to the five year value of this lease which exceeds \$1-million.

Clear has begun enrolling potential customers in at least one downtown San Francisco hotel ... the Hyatt Embarcadero ... and they will also begin visiting local large businesses to enroll on-site. These enrollment efforts can be conducted early as Clear is in operation at San Jose International Airport.

Commissioner Ito asked if they are in other airports.

Mr. John Martin, Airport Director, responded that they are in Orlando, Cincinnati, and Indianapolis.

Commissioner Ito asked if San Jose is the only California airport in which they currently operate.

Mr. Martin responded that they are.

Commissioner Ito asked how the five year contract term was negotiated.

Mr. Martin responded that we looked at industry practice. We recognize that it won't be a profitable operation initially. They will need some time to build a customer base so that revenues exceed costs.

Commissioner Ito asked if they will have their own staff working with the TSA.

Mr. Martin responded that a Verified Identity employee will be positioned at the point where the biometric access is given.

Commissioner Mazzola noted that the panel scored this company at least 30% higher than the other bidder and asked why there was such a big gap.

Mr. Martin responded that they are dominant in terms of the number of airports in which they operate. They have clearly made a very large investment nationwide to try and capture the bulk of the market.

Mr. Franzella responded that they are currently the biggest provider in the market.

Mr. Martin added that they also had a very competitive minimum annual guarantee.

Commissioner Ito asked if the fee is \$100 per year.

Mr. Martin said that's what it will start at.

Commissioner Johns asked if an applicant must re-register each year.

Mr. Martin responded that it is just a paper process.

Commissioner Guggenhime said that once a registered traveler receives a card it is simply renewed each year for what he believed to be is a \$9 fee.

* * *

F. NEW BUSINESS:

There was no discussion by the Commission.

* * *

G. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

H. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:10 AM.



Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**July 24, 2007
Special Meeting**

9:00 A.M.

**Room 416 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

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JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Special Meeting of
July 24, 2007

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E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 8516R - Sanitary Sewer Pump Station 5A - Replacement - NCCI, Inc.	07-0176	4-5
	2.	Approve Five One-Year Options for Remote Terminal Food & Beverage Lease No. 04-0188	07-0177	5-6
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	3.	Modification No. 2 to Contract 8679 - Air Cargo Explosives Detection Pilot Program - D.W. Nicholson	07-0178	6-8
	4.	Modification No. 2 - Contract 8433.9 - Construction Management Services for Activation of Intern'l Terminal Gates A1, A3 & A5 - URS/ECS, A J.V	07-0179	8
	5.	Authorization to Issue a Request for Proposals for Professional Services Contract for Accoustical Engineering Consulting Firm and Software Modeling for the Noise Abatement Program	07-0180	8
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I.		CLOSED SESSION:		11

J.

ADJOURNMENT:

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AIRPORT COMMISSION SPECIAL MEETING MINUTES

July 24, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 17, 2007 were adopted unanimously.

No. 07-0175

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Ito- seconded by Commissioner Johns. The vote to approve was unanimous.

1. Award of Contract No. 8516R - Sanitary Sewer Pump Station 5A - Replacement NCCI, Inc. - \$736,484.17

No. 07-0176

Resolution awarding Contract No. 8516R, Sanitary Sewer Pump Station 5A, Replacement, to the lowest responsive, responsible bidder, NCCI, Inc., in the amount of \$736,484.17.

Mr. Ernie Eavis, Deputy Director, Facilities, said that on May 1, the Commission

approved a bid call for this contract which replaces a 40 year old sewage pump station at the North Field area. This work is necessary due to water intrusion and the damage it does to the sewage treatment plant.

Four bids were received, with NCCI submitting the lowest bid.

Commissioner Guggenheimer why JMB did not get a bid preference.

Mr. Eavis responded that JMB has gone above the limit for the bid preference.

Commissioner Mazzola said that he was not familiar with NCCI.

Mr. Eavis responded that they are new Airport bidders, however, they have bid on other City projects. NCCI is a local, woman-owned company, and he believed they are a union contractor. They are located on Pier 26.

Commissioner Mazzola was glad to see new companies bidding.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Approval of the Five One-Year Options for the Remote Terminal Food and Beverage Lease No. 04-0188 - Bassam and Nancy Shihadeh

No. 07-0177	Resolution approving the early exercise of Bassam and Nancy Shihadeh's five one-year options to extend the term of the Remote Terminal Food and Beverage Lease No. 04-0188.
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Mr. Gary Franzella, Associate Deputy Director, Business and Finance, explained that the resolution before the Commission seeks approval to exercise five one-year options under the lease for a facility operated by Bassam and Nancy Shihadeh known as Deli-Up Café.

On September 13, 2004 the Commission adopted a resolution awarding a food and beverage facility lease to the Shihadehs. The lease was the operation of Deli Café in the remote terminal used by United Express. The original term was for five years, with five one-year options. The tenant operated at the remote terminal from July 7, 2005 until the end of January, 2006 when the remote terminal closed. Due to the unique situation presented, the tenant and the Airport entered into an agreement at that time regarding relocation of the premises. It was approved by the Commission on February 7, 2006. In that agreement, if another opportunity arose within 24 months we would determine a suitable location for this tenant. With the Jet Blue and Virgin America announcements to begin service in the International Terminal, Boarding Area A, we identified a space consisting of 817 sq. ft. in that area that we felt was a suitable replacement. The tenant proposes to operate the facility as Amora and will feature Mediterranean food. During each year the tenant will pay the greater of a minimum annual guarantee, similar to other food and beverage agreements, of \$32,680, or a tiered percentage rent.

The annual concession rent is expected to escalate over \$100,000 by year 2016.

Since construction estimates cannot be reasonably amortized in the remaining four years and five months of the original lease, we are seeking approval for the five one-year options in recognition of the tenant's capital improvements, which is estimated to be about \$650,000.

The Airport provides the space as is, with the exception of providing utility stub-ups to the space. The exercise of the five one-year options gives the tenant a new lease expiration date of approximately June, 2017. The other International Terminal food and beverage leases will either expire in November 2010 or November 2015, if they exercise the additional five year option.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item nos. 3 through 6, was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Modification No. 2 to Contract No. 8679 - Air Cargo Explosives Detection Pilot Program - D.W. Nicholson Corporation - \$397,072

No. 07-0178

Resolution approving Modification No. 2 to Contract 8679, Air Cargo Explosives Detection Pilot Program with D.W. Nicholson Corporation, for the deployment of the explosives detection systems, in an amount not-to-exceed \$397,072, with 100% cost reimbursement per Agreement with Lawrence Livermore National Laboratory.

Commissioner Johns asked for an update on Items 3 and 4.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction explained that the Cargo Pilot Program is proceeding. We have missed our opening dates anticipated for C.T. screening.

The Commission will recall that there are four major components to the activation of the Cargo Screening. There are two cargo facilities ... the United Airlines facility and the Northwest/Continental facility. We are doing a phased opening in those two facilities which consists of an ETD screening as the first activity that would come on line. That would satisfy Lawrence Livermore's obligation to start data collection.

The second two milestones were the activation of the CT screening, which utilizes the CTX 9000 machines for screening packages, and the baggage handling screening machines. It has been delayed due to technical complexities and lead time with some of the procurements. We are not doing any CT screening at this time. We are focused on getting the United Airlines CT operations up and going. There have been significant challenges with that.

We have brought in our own scheduler to come up with a realistic projection of when CT screening at United will be up and running. Our best estimate right now is mid-August. Northwest/Continental will be after that.

This modification is a reimbursable contract with a fee attached to it. We pay the contractor the actual cost of doing the work and if there is a changed condition they also get their fee. This is not a changed condition, i.e., the costs get covered but he does not get the fee for some of the work.

Item No. 3 is for changes that have been requested by the Airport / Lawrence Livermore outside of the original scope, so the costs are reimbursed in the amount of \$397,072.

Item No. 4 was for contract administration tasks that were done at the outset of the program. There was a significant effort in drafting all of the agreements and the Federal procurement processes. That cost is reimbursable under the agreement.

Mr. Martin said that we believe that this program will be very successful and will revolutionize the way cargo is screened. We will get a much higher percentage than is being achieved anywhere in the country today. If we can work through all of these technical issues we will have a new model that will be very successful, in the same way that our in-line screening model in the International Terminal became a standard.

We are speaking to Washington to try to get funding for an additional year. The funding will run out for this program in November and we are trying to get funding carried through the pilot program for another year ... not necessarily with Lawrence Livermore's involvement. We can run this directly with the TSA.

The total funding for Lawrence Livermore was only \$15 million and was to end at this time in 2007. Rather than getting funding as a pilot program as it is today, we hope to transfer it from the Science and Technology part of Homeland Security to the Transportation Security Administration, which is more the operation side, and let them oversee the operation for a year.

Commissioner Ito remarked on the individual found in the wheelwell of the United flight out of Shanghai and asked what kind of checks are being done at that level. She understood that it was not a cargo issue, but it was a breach of security.

Mr. Martin responded that Mr. Tryg McCoy can address the question of how an area around an aircraft is protected and the steps we take to try to protect and secure the aircraft, both at the gate and the cargo hold position.

Commissioner Ito asked if that is a United policy.

Mr. Martin responded that the TSA has a policy and program that is part of the security study performed for us by an Israeli company a few years ago. A major focus was how the Airport works to control the area around the aircraft and working with the airlines and the TSA to accomplish that ... using cameras and

insuring that employees who have access to the aircraft on the ramp are screened.

4. Modification No. 2 to Contract 8433.9 - Construction Management Services for the Activation of International Terminal Gates A1, A3 & A5 - URS/ECS, A Joint Venture - \$190,000 to be Reimbursed by Lawrence Livermore National Laboratory

No. 07-0179 Resolution approving Modification No. 2 to Contract 8433.9, Construction Management Services for the Activation of International Terminal Gates A1, A3 & A5 with URS/ECS, A Joint Venture, in the amount of \$190,000, to be reimbursed through the Airport's Agreement with Lawrence Livermore National Laboratory.

5. Authorization to Issue a Request for Proposals for Professional Services Contract for an Acoustical Engineering Consulting Firm and Software Modeling for the Noise Abatement Program

No. 07-0180 Resolution authorizing issuance of a Request for Proposals for a Professional Services Contract for an Acoustical Engineering Consulting Firm and Software Modeling for the Noise Abatement Program at the San Francisco International Airport.

6. Authorization to Issue a Request for Proposals for a Project Manager to Oversee the Installation of Phase 2 of the Aircraft Noise and Data Collection System

No. 07-0181 Resolution authorizing issuance of a Request for Proposals for a Project Manager to oversee the Installation of Phase 2 of the Aircraft Noise and Data Collection System.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

The Commission went back into open session to take public testimony from Local 2 members.

Commissioner Mazzola explained that the Commission meeting begins at 9:00 AM. We had a shorter agenda today and we finished the open session, including Public

Comment, and went into a Closed Session. We are willing to reconvene the public portion of the meeting if you can limit your comments to one speaker. You will be given five minutes.

Mr. Kevin O'Connor, organizer of Local 2, asked for the Commission's indulgence. They have a total of seven speakers who will take a total of seven minutes.

Commissioner Mazzola agreed that if the speakers limited themselves to one minute each, that would be acceptable.

Mr. O'Connor said that while they fully expect to settle this disagreement themselves, they felt it was only fair to alert the Airport before this cascades out of control, since the City of San Francisco is so intimately involved.

Ms. Molly Gomez has worked at SFO for approximately 28 years. She spoke to the Commission a couple of years ago seeking help to keep their jobs and their union. It has been fairly chaotic. The new employers have not welcomed their union with open arms. They are frustrated in their negotiations for a new union contract. The main problem is with the new employers. They have spent the last eight months pouring over basic contract language, basic rights on the job. Things that existed for years in their Host contract do not exist with their new employers. For example, the new employers agreed to layoffs by seniority but they don't agree to hire back by seniority. They want to pick and choose.

They have been very patient bargaining for the last eight months and they can't even get to the economic issues. Most of them have not had a raise since November 2005 and their employers are not funding enough money for their health and welfare.

Their purpose today is to let the Commission know that trouble is brewing at SFO. They are frustrated by the lack of movement on this contract. They are asked the Commission to tell their employers that they need to act responsibly and settle this new contract now.

Ms. Tan has been working at SFO for seven years. Her old company paid very good benefits but the new company does not pay any benefits. She asked for the Commission's help to get their other benefits back.

Ms. Quok has been working at SFO for 10 years. She lost her benefits, including sick pay, holiday pay and seniority. She only has hospital insurance.

Ms. Carol Whittaker has worked at SFO for 24 years and is the shop steward for Local 2. She said that it is a sad non-union atmosphere that the new owners have. As a shop steward she is not allowed to walk into any unit. She is not allowed to give a pamphlet to anyone. She has been threatened with arrest for trespassing and disturbing the peace. Someone has to step up and help represent them and let the owners know that they made an agreement to be neutral when it came to unions. Instead of moving forward they are going backwards. It is hard to make a living at the Airport. They would appreciate the Commission's help.

Mr. Gabriel Jose has been at the Airport since 1993. After the units were closed down and remodeled the recall did not happen in favor of anything. An employee could have

been at SFO for 20 years, but everyone starts at the same start date.

They asked the Commission to make these owners agree to follow what they promised ... seniority.

Mr. Andrew Gonzalez said that he worked at Willow Creek at SFO. They used to pay for the security badges but they no longer do that.

Mr. Jesse Johnson said that he has been at SFO for the past 25 years. He thanked the Commission for giving them the opportunity to speak. Host International represented stability for them. However, the new association for the past several years has represented the worst that companies stand for. The employees previously had the security of sick pay, holiday pay, paid lunch, paid vacation, paid badges ... most of the new associates are not providing these things. In addition, management at the soup kitchen had made the situation so intolerable that employees had to take action in the form of a work stoppage.

This Commission has been a good ally to them over the years and they did not want the Commission to be surprised if they have to take action. They are being forced to act.

For more than 20 years Host International and the Airport enabled them to have good union jobs with benefits, which is the reason why most of them present this morning are still SFO employees. The Airport Commission should know that many of the concessionaires at SFO are not acting as responsible employees.

They asked for the Commission's understanding and help and thanked the Commission for its time.

Commissioner Mazzola summed up the remarks by saying that Host International had benefits that these new vendors don't provide. He asked if this is a new association.

Mr. O'Connor responded that it is not an association. It is about 20 different employers and they are bargaining collectively. They have had a good deal for years. A quick deal was made to get the medical, but there is no vacation, no sick leave, no holidays. These negotiations have been going on for eight months. They are not paying what is needed for medical benefits. There have not been raises. These places are very profitable, but getting any movement from them is like pulling teeth. They need to treat workers in a responsible way.

Commissioner Mazzola thanked the group for coming. They will try to pass the message along that these employees need to be treated fairly.

Commissioner Mazzola noted to the Director that we have a Worker Retention Policy and the City has a sick leave ordinance. We should let those concessionaires know that we intend for them to uphold our policies.

Mr. Martin said that he will communicate that to the bargaining team of the restaurant association.

* * *

Mr. Martin said that he will communicate that to the bargaining team of the restaurant association.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

1. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:18 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled In re: George Q. Chen, Case No. 03-32157-DM11, United States Bankruptcy Court for the Northern District of California; Government Code Section 54956.8 to confer with legal counsel regarding real property negotiations.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR: California Government Code Section 54956.8.

Property: San Francisco International Airport.
Person Negotiating: John L. Martin, Airport Director

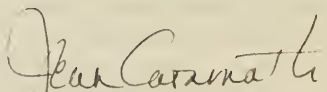
And, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

The Commission reconvened its public session at 9:48 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:15 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

August 21, 2007

9:00 A.M.

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JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
August 21, 2007

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	2.	Award Contract 8525 - Airfield Marking & Lighting Improvements - Granite Rock Co., dba Pavex	07-0185	5-6
	3.	Modification No. 1 to Contract 8433B - Boarding Area A Apron Construction - Ghilotti Brothers	07-0186	6
	4.	Modification No. 3 to Contract 5450.1 - Professional Services for Remodeling Terminal 2 and Boarding Area D - Gensler/ Michael Willis, Associated Architects	07-0187	6-8
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AIRPORT COMMISSION MEETING MINUTES

August 21, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of July 24, 2004 were adopted unanimously.

No. 07-0183

* * *

- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution No. 07-0182 regarding the approval of a settlement agreement to In Re: George Q. Chen, Case No. 03-32157-DM11, United States Bankruptcy Court for the Northern District of California in the amount of 87% of the assets remaining in the estate for unsecured creditors at the closed session of July 24, 2007.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Johns congratulated staff, particularly Ivar Satero, on the Terminal 1 bridge. She had an opportunity to use it this weekend.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

1. Award of Contract No. 8300B - Runway 28L-10R Overlay and Reconstruction Granite Rock Company, dba Pavex Construction - \$14,881,435

No. 07-0184

Resolution awarding Contract 8300B, Runway 28L-10R Overlay and Reconstruction, to the lowest responsive, responsible bidder, Granite Rock Company, dba Pavex Construction in the amount of \$14,881,435.

Mr. Ernie Eavis, Deputy Director, Facilities said that over the last 70-80 years we have had two dozen or so airfield expansions. Because of that, the airfield itself is not a homogenous base so that over time we have had to go back and resurface the runways because of the differential settlement that takes place due to the different materials that are under our runways.

This is one of those projects. The full length of Runway 28L-10R will be done. Three bids were received for this project, with Granite Rock Construction, dba Pavex submitting the lowest bid,.

This is a Federally-funded project and 75% of the cost is being picked up by the FAA.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

2. Award of Contract No. 8525 - Airfield Marking and Lighting Improvements Granite Rock Company, dba Pavex Construction - \$3,605,285

No. 07-0185

Resolution awarding Contract 8525, Airfield Marking and Lighting Improvements, to the lowest responsive, responsible bidder, Granite Rock Company, dba Pavex Construction, in the amount of \$3,605,285.

Mr. Eavis said that the FAA has changed their requirements for taxiway lights. It used to be 25 feet between the centerline lights; it is now 12-1/2 feet. Instead of the hold bars ending at the structural pavement, they go all the way across to the ends of the shoulders.

This project will bring us into conformance with the new requirements.

Two bids were received, with the low bid submitted by Granite Rock, dba Pavex.

Commissioner Johns noted that Granite Rock submitted bids below the Engineer's Estimate on Item Nos. 1 and 2 and although she appreciated the low bids, she wondered if they were realistic.

Mr. Eavis responded that our goal for the Engineer's Estimate is to be in the mid-range, not below the low bidder.

Pavex will always have a slight advantage over the other bidders because they don't pay sales tax on their aggregate ... they buy it from themselves.

Commissioner Mazzola noted that BASS has been doing business for years and wondered why they were still a DBE. Will they graduate from the program or will they remain a DBE?

Mr. Eavis responded that if they stay under the limit they won't advance beyond a DBE.

Commissioner Ito asked what the limit was.

Mr. Eavis responded that it is \$16 million a year for primes, and probably a third of that amount for subs.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 1 to Contract No. 8433B - Boarding Area A - Apron Construction Ghilotti Brothers - Not-to-Exceed \$1,950,000

No. 07-0186	Resolution approving Modification No. 1 to Contract 8433B, Boarding Area A Apron Construction, with Ghilotti Brothers, in an amount not-to-exceed \$1,950,000 for a total contract amount of \$13,738,313.
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Mr. Eavis explained that when the Commission awarded this contract the scope included building the apron for A1, A3 and A5 ... three parking positions for wide-body aircraft. Since that time, there has been a need to provide some narrow-body parking positions for the immediate future with the influx of some of the new domestic carriers.

This contract is being modified so that we not only have three wide-body parking positions, but we also provide five narrow body positions at those same locations.

This work will be done in 3-4 weeks. The modification also provides for some enhanced visual paging and FID systems in the International Terminal and throughout the Airport.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 3 to Contract No. 5450.1 - Professional Services for Remodeling Terminal 2/Boarding Area D - Gensler/Michael Willis, Associated Architects -

\$2,000,000

No. 07-0187

Resolution approving Modification No. 3 to Contract No. 5450.1, Professional Services for Remodeling Terminal 2 and Boarding Area D, with Gensler/ Michael Willis, Associated Architects, in the amount of \$2,000,000 to complete the schematic design documents for Terminal 2 and Boarding Area D for a new total contract amount of \$6,349,747.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that under this modification, staff is seeking Commission authorization to proceed with the schematic design phase for the Terminal 2/Boarding Area D remodel project.

In June, the Commission authorized Modification No. 2 to this contract, which provided for the planning support for the Domestic Terminal Redevelopment Plan and the preparation of the conceptual design for the Terminal 2/Boarding Area D project. This effort is nearing completion, and as presented in Modification No. 2, the Airport is proposing to proceed with the schematic design.

The planning studies have been completed to an extent which confirms that the aircraft parking layout of Boarding Area D is an efficient means of accommodating aircraft parking positions. The other key component for the Domestic Terminal Redevelopment Plan was can the configuration of Boarding Area D be easily accommodated into the refined alternatives that are being studied for the long range terminal redevelopment related to Terminals 1 and 2. Both of the shortlisted alternatives allow for a fairly straightforward integration. This is an appropriate cost effective means of gaining gate capacity by proceeding with the remodel of Boarding Area D.

The schematic phase will develop design elements including a seismic upgrade, replacement of exterior cladding, roofing and interior surfaces, replacement of mechanical, electrical and plumbing systems, replacement of aircraft servicing systems, replacement of conveyances, installation of full in-line EDS baggage handling systems and a mezzanine connection to the existing Terminal 2 AirTrain bridge. The schematic phase will develop layouts for accommodating anticipated needs for circulation, concession space, hold rooms, airline space and ancillary spaces. It will also focus on minimizing the amount of rework necessary by locating HVAC equipment, switch gear equipment in areas that will be preserved in the long term redevelopment so that there isn't a huge shuffling and duplication of costs if you have to relocate everything when we move forward with the long range terminal redevelopment.

Following the completion of the schematic design phase, the Airport will turn over the design to a follow-on architectural/engineering consultant. The Commission previously authorized an RFP for the follow-on A/E services for Terminal 1 and Terminal 2.

Concurrently, staff is studying the opportunity to implement the project through design-built to expedite the delivery of the project and take advantage of cost

efficiencies. In the event the Airport elects to go design-build, the Gensler effort will be used to develop the scoping and bridging documents to be used in the RFP for design-build services, similar to the approach being used in the Secure Connector project.

Staff has negotiated the fixed fee of \$1.6 million for the required services of Gensler/Michael Willis and a schedule to complete the schematic design documents by December 3, 2007. Staff is also proposing an additional services budget of \$400,000 for any added scope related to the project.

Funding will be provided from the Airport's Capital Improvement Program budget.

To date, the Consultant has achieved 26.6% MBE and 3.6% WBE subcontractor participation, and proposes to maintain this through this modification.

Commissioner Crayton asked who the WBE is on this project.

Mr. Satero responded that he thought it might be the structural engineer ... OLMM. He will check on it.

Commissioner Johns asked if Boarding Area D is the only Boarding Area in Terminal 2.

Mr. Satero responded that it is.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 7, Item No. 9, and Item Nos. 11 through 17, was moved by Commissioner Johns and seconded by Commissioner Crayton. The vote to approve was unanimous.

Item Nos. 8 and 10 were removed from the calendar without discussion.

5. Award of Contract No. 8707 - Facilities Roof Repair - Pioneer Contractors, Inc. - \$231,510

No. 07-0188

Resolution awarding Contract 8707, Facilities Roof Repair to the lowest responsive, responsible bidder, Pioneer Contractors, Inc., in the amount of \$231,510.

6. Modification No. 3 to Contract No. 8679 - Air Cargo Explosives Detection Pilot Program - D.W. Nicholson Corporation - \$670,435 - 100% Cost Reimbursement per Agreement with Lawrence Livermore National Laboratory

No. 07-0189

Resolution approving Modification No. 3 to Contract 8679, Air Cargo Explosives Detection Pilot Program

with D.W. Nicholson Corporation, in an amount not-to-exceed \$670,435 with 100% cost reimbursement per Agreement with Lawrence Livermore National Laboratory, for safety equipment scope changes and the revised estimate for integration of the automated controls and software.

7. Authorization to Accept Bids for the International Terminal Automated Teller Machine Leases A and B

No. 07-0190

Resolution approving revised lease specifications, minimum qualifications, and bid requirements, and authorization for staff to accept bids in the minimum amount of \$125,000 for the International Terminal Automated Teller Machine Leases A and B.

Commissioner Johns noted that the fee is going from \$1.50 to \$2.00 and she did not know if that affected both Item Nos. 7 and 11.

Mr. Fermin said that the proposers were recommending a fee increase to \$2.00, but the staff recommendation is to keep the fee at \$1.50.

Item No. 8 was removed from the calendar without discussion.

8. Authorization to Accept Proposals for the Boarding Area F Candy Store and Kiosks Lease

Resolution approving the revised lease specifications and minimum qualifications, and authorizing staff to accept proposals for the Boarding Area F Candy Store and Kiosks Lease with a minimum acceptable proposal amount of \$330,000 and a term of five years with two one-year options to extend the Term, exercisable by the Airport Commission.

9. Approval of the Revised Minimum Qualifications and Lease Specifications and Authorization for Staff to Accept Proposals for the Security Checkpoint Mail Service Lease

No. 07-0191

Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the Security Checkpoint Mail Service lease, with a term of three (3) years, with two (2) one-year options to extend the Term, exercisable by the Airport

Commission, and base rent calculated at ten percent (10%) of gross revenues.

Item No. 10 was removed from the calendar without discussion.

10. Amendment No. 3 to the Clear Channel Outdoor, Inc., Airport Advertising Program Lease No. 00-0408

Resolution approving Amendment No. 3 to the Clear Channel Outdoor, Inc., Airport Advertising Program Lease No. 00-0408 which (1) adds premises (lap-top workstations, new bus shelters, information booths and kiosks, jet bridge, and baggage carousel advertising), and (2) amends the base rent for the new advertising mediums.

11. Wells Fargo Bank, N.A.'s Automated Teller Machine Lease No. 02-0158 - Exercise the First of Two One-Year Options to Extend the Term

No. 07-0192

Resolution approving the exercise of the first of two one-year options to extend Wells Fargo Bank, N.A.'s Automated Teller Machines Lease No. 02-0158, effective February 17, 2008 through February 16, 2009, under the existing terms and conditions.

12. Union Bank of California, N.A.'s Automated Teller Machine Lease - No. 02-0159 Exercise the First of Two One-Year Options to Extend the Term

No. 07-0193

Resolution approving the exercise of the first of two one-year options to extend Union Bank of California, N.A.'s Automated Teller Machine Lease No. 02-0159, effective January 30, 2008 through January 29, 2009, under the existing terms and conditions.

13. Modification No. 2 to the Information Booth Program Contract - Polaris Research and Development, Inc.

No. 07-0194

Resolution approving Modification No. 2 to the Information Booth Program Contract with Polaris Research and Development, Inc. allowing Polaris to exchange pre-paid BART travel Vouchers for BART tickets at the International Terminal Information Booth at no additional cost to the Airport.

14. Approval of Lease with U.S. Government for Space for the Transportation Security Administration in the International Terminal

No. 07-0195 Resolution approving 1) Lease No. LCA 02006 with the U.S. Government for space to be occupied by the Transportation Security Administration at the International Terminal; and 2) directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

15. Assignment of Domestic Terminals Food and Beverage Lease No. - 03-0185 from GDDC, Inc to Baysubway

No. 07-0196 Resolution approving the assignment of Domestic Terminals Food and Beverage Lease No. 03-0185, from GDDC, Inc. to Baysubway under the same terms and conditions.

16. Airport Improvement Program - Project No. 3-06-0221-39 (Grant No. 39) Grant Award - \$18,175,000

No. 07-0197 Resolution authorizing the Director to expend Grant Offer No. 39 from the Federal Aviation Administration (FAA) in the amount of \$18,175,000.

17. Airport Improvement Program - Project No. 3-06-0221-38 (Grant No. 38) Grant Award - \$6,021,415

No. 07-0198 Resolution authorizing the Director to expend Grant Offer No. 38 from the Federal Aviation Administration (FAA) in the amount of \$6,021,415.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

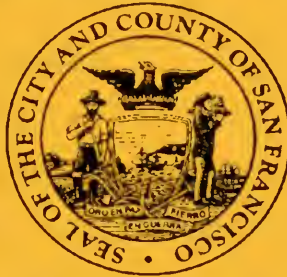
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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:21 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

September 4, 2007

DOCUMENTS DEPT.

9:00 A.M.

SEP 19 2007

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RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
September 4, 2007

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Pending Litigation: CCSF v Factory Mutual Insurance Company

L. ADJOURNMENT: 15

AIRPORT COMMISSION MEETING MINUTES

September 4, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Larry Mazzola, President
Hon. Caryl Ito

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 21, 2007 were adopted unanimously.

No. 07-0199

* * *

D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenheimer and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Retirement Resolution - Mr. Lee Arthur McGlothlin

No. 07-0200 Resolution thanking Mr. Lee Arthur McGlothlin for 46 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. McGlothlin has an extraordinary record of service ... 46 years in the Custodial Department. He always promoted good will among his fellow employees. He was always very personable and he quietly and dependably performed excellent and outstanding work for the Airport.

Mr. Martin always appreciated Mr. McGlothlin's good work and good spirit and thanked him for his truly outstanding service to the Airport over the years.

Commissioner Crayton, on behalf of the Commission, thanked Mr. McGlothlin for

his service.

Mr. McGlothlin said that he enjoyed working for the Airport and the work that he did. He still enjoys being around a lot of people.

Item Nos. 2 through 5 were called together. They were moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

2. Retirement Resolution - Ms. Odessa Parker

No. 07-0201 Resolution thanking Ms. Odessa Parker for 34 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Ms. Parker, a supervisor, is retiring after 34 years of service. She is well respected for her pride in her work and her outstanding relationship with her employees.

Commissioner Crayton, on behalf of the Commission, extended congratulations to Ms. Parker.

3. Retirement Resolution - Ms. Sandy Lee

No. 07-0202 Resolution thanking Ms. Sandy Lee for 25 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Ms. Sandy Lee is also retiring after a long service in the Custodial section. She has given 25 years of outstanding service to the City.

4. Retirement Resolution - Mr. Chan Trinh

No. 07-0203 Resolution thanking Mr. Chan Trinh for 24 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Chan Trinh has provided 24 years of service to the City. He is also an employee who actively promoted good will among his fellow employees and promoted good customer service to the public.

5. Retirement Resolution - Mr. Stanley Lee

No. 07-0204 Resolution thanking Mr. Stanley Lee for 23 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Stanley Lee has provided 23 years of service to the City.

Commissioner Crayton said that we have a lot of embedded knowledge leaving the Airport, but we thank these employees for their many years of service.

* * *

E. DIRECTOR'S REPORT:

6. Concession Sales Performance Report

Report on the sales performance of Airport concession tenants during FY 2006/07.

Mr. Leo Fermin, Deputy Director, Business and Finance, said that he was pleased to report that our overall concessions program performed extremely well over FY 2006/07. Previously, we successfully launched the new Domestic Terminals Food and Beverage program, and in this past year and looking forward, our goal is to improve our retail program.

A key industry metric is to look at gross sales per enplaned passenger to gauge the performance of an airport's concessions program. Our combined retail merchandise and food and beverage sales per enplanement was the second highest in the nation. However, on the food and beverage side, we are generating the highest sales per enplanement nationwide.

As far as rental revenues to the Airport, overall this increased by \$5.4 million or 8%. Food and beverage rents paid to the Airport increased 19%, while retail rents increased by 14%.

We still have our challenges ahead in maintaining and even gradually improving our food offerings, and, on the retail side, to ensure the successful opening of the 29 new retail stores and kiosks which are shown in Attachment D of the report before the Commission, are open smoothly.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

7. Award Contract 8256BR2 - Underground Utilities Improvement - Storm Drainage Pump Stations - 17 & 18 Replacement - JMB Construction, Inc. - \$997,875

No. 07-0205

Resolution awarding Contract No. 8256BR2, Underground Utilities Improvement Storm Drainage Pump Stations 17 and 18 Replacement, to the lowest responsive, responsible bidder, JMB Construction, Inc., in the amount of \$997,875.

Mr. Ernie Eavis, Deputy Director, Facilities, explained that this contract replaces Drainage Pump Stations No. 17 and 18 located by the Superbay area. They were constructed by American Airlines almost 40 years ago when they owned the hangar. They are no longer effective. JMB submitted the lowest bidder.

Item No. 8 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

8. Request for Proposals - Contract 8757A - Design-Build Services for the Terminal 2/Boarding Area D Renovations

No. 07-0206

Resolution authorizing Airport staff to Issue a Request for Proposals for Contract 8757A, Design-Build Services for the Terminal 2 / Boarding Area D Renovations, to provide sufficient additional terminal space and gate capacity to accommodate the anticipated increase in low-cost carrier traffic.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this item requests Commission authorization to issue a Request for Proposals for Design-Build services for the Terminal 2/Boarding Area D renovation project.

The Commission previously authorized Gensler/Michael Willis, Associated Architects to prepare the conceptual design documents for the project. The Commission subsequently authorized Gensler/Michael Willis to prepare the schematic design documents.

Airport staff, in working with the new low cost carrier airlines serving SFO ... specifically Virgin America, JetBlue and Southwest ... we have determined that it is necessary to move forward and expedite the design and construction of the project in order to accommodate their near-term projected growth. Therefore, staff is proposing to issue the RFP for design-build services based on the conceptual design work completed by Gensler/Michael Willis. The previous authorized scope for schematic design work will not be fully awarded to Gensler/Michael Willis. Instead, staff will work with them to complete the conceptual design and they assist staff with developing the scoping documents for the RFP.

The design-build implementation will achieve the schedule and cost efficiencies while allowing for the appropriate level of flexibility to eventually integrate the renewed facility into the short-listed alternatives of the long-term Domestic Terminal Redevelopment Plan. As the Commission will recall, the Planning studies have confirmed that the layout of the Boarding Area D facility and its existing footprint is an appropriate layout for maximizing aircraft gate positions,

and based on the feasibility studies performed in 2006, it is a cost effective means of gaining additional gate capacity, versus a green field reconstruction.

Staff will prepare a design-build RFP in compliance with the City's Administrative Code guidelines for achieving the best overall value to the City. The RFP process will evaluate each firm's qualifications and expertise for delivery of design-build projects on similar types of projects. A selection panel will evaluate the proposals based on technical qualifications and experience, design approach, management plan, cost, schedule, compliance with the HRC LBE goals and the requirements of the Administrative Code, and commitment to meeting the City's hiring goals.

Staff will develop a ranking of the firms, conduct interviews with key personnel, and interview past clients of the design-build firms. Based on the results of the proposals, interviews and reference checks, staff will return to the Commission with a recommendation to award to the most qualified design-build team.

Staff has initiated a significant outreach effort for this project in the design-build community. Staff will work with the HRC to develop the LBE subcontractor participation goals for the contract.

The estimated contract value is \$250 million. Anticipated duration is 30 months. Funding will be provided from the Airport's Capital Improvement Program budget.

Commissioner Johns asked if 30 months is a realistic time frame.

Mr. Satero responded that it is an aggressive schedule and it has been reviewed with our construction manager. It is achievable, especially under a design-build approach that allows for early phasing of construction and avoids the additional procurement cycles that we would have to go through with a design-bid-build.

Mr. Martin said that more work needs to be done in order to give the Commission a higher level of confidence. We want to aim high.

Commissioner Johns cautioned staff to aim high but be realistic.

Commissioner Crayton noted that Michael Willis was part of the conceptual design team.

Mr. Satero responded that they are. Michael Willis will be allowed to participate in the design-build competition.

Item No. 9 was moved by Commissioner Guggenhime and seconded by Commissioner Johns. The vote to approve was unanimous.

9. Request for Proposals - Curbside Management Program

No. 07-0207	Resolution authorizing Airport staff to initiate a Request for Proposals (RFP) process to select a contractor to staff and manage the Airport's Curbside Management Program for a one year period effective July 1, 2008, with a first one-year
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option and a second six-month option.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that since 1999 the Airport has contracted for a service to coordinate the orderly availability of ground transportation services to the public that includes taxi cabs, door-to-door vans and limousines. A single professional service contract has proven to be efficient managing all three forms of transportation.

The contract with the current ground transportation coordinator provider, DAJA, Inc., will approach the \$10 million cap for professional services by the end of summer 2008 and it is time we begin preparing for the issuance of a new RFP.

The proposed term of the new RFP is one year with a one year option and a second 6 month option. With the expected passenger growth in the next few years, we believe the proposed one year award and possible additional year and additional 6 month options will give us the option of making changes to the curbside as traffic and customer demands dictate.

Due to the cost of staffing the curbs for approximately 16 ours per day, 365 days per year, the relatively short contract period and the amount of the agreement will not exceed \$10 million, even if all option extensions are awarded.

Staff will return to the Commission with the results of the RFP in early Spring and request approval to enter into negotiations with the highest ranked proposer. Staff will return again for award of the negotiated contract.

Commissioner Guggenhime asked if the reasoning for such a short contract was to be able to reevaluate the situation after the impact of the new airlines.

Mr. McCoy said that it was. Further, with the re-opening of Terminal 2, we may want to redesign or reallocate the curbside. We don't want to be locked into a contract that would prevent us from exploring those options.

Commissioner Johns was not sure that firms will respond to such a short contract.

Mr. Martin responded that there is no significant capital investment required.

Mr. McCoy said that the current contract was a one year award with two one-year options. This is just six months less than that.

Commissioner Crayton asked Mr. McCoy if he anticipates DAJA bidding again, in addition to other bidders.

Mr. McCoy responded that DAJA will likely bid. There is also interest by other companies that do business in California and outside of the State. We were one of the first airports to use this kind of coordination. Now there is an industry of a dozen or so companies across the country that will likely be interested.

Commissioner Crayton said that she liked the competitiveness.

Item No. 10 was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

10. Request for Proposals - Distributed Antenna System

No. 07-0208

Resolution authorizing a Request for Proposals for design, fabrication, installation, operation and maintenance of an Airport-owned Distributed Antenna System for cellular and other wireless services.

Mr. Fermin said that currently four cellular phone companies have leases at the Airport for various sites on which they operate their own antenna systems. These leases were negotiated about 2-1/2 years ago and they all expire on Dec. 31, 2008. Our plan back then was to transition cell phone companies from their individual antenna systems to an Airport-owned distributed antenna system (DAS) once the leases expired.

We are seeking Commission approval to issue an RFP to select either one firm, or two firms, to design, fabricate, install, operate and maintain the Airport's DAS. We will specify that the Airport's DAS be an open architecture system so that we are not limited to giving the operations and maintenance contract to the same firm that designs and builds the system. We plan to have one contract for the design, fabrication and initial first year operation of the system, and then contract for a subsequent 3 year operations and maintenance period.

Once the highest ranked firm or firms is determined for each of the two contracts, we will return to the Commission for approval to commence contract negotiations, and once those are completed, return to the Commission for award of the contracts. We will actively involve the cell phone companies in the design and technical specifications of the system to ensure it meets their requirements.

Concurrent with this technical process, we will develop business terms in consultation with the cell phone companies for use of the DAS, which we will present to the Commission for approval next year. The DAS will provide increased capacity and coverage throughout the Airport campus, improving overall customer service, as well as providing a platform for potential new revenue sources in the future such as satellite radio.

Commissioner Johns remembered that when we negotiated contracts with some of these cellular carriers there was a distinct message given to us at that time that they were not supportive of the DAS system. She asked if we have had any communication with them. Do they know we are proceeding?

Mr. Fermin responded that we plan to hold a meeting after Commission approval is obtained to issue an RFP. The companies have been told them informally over the last year. He spoke with Sprint about three weeks ago and other staff members have had informal discussions. We told them two years ago during negotiations that this was our plan. They are well aware of this.

The challenge will be to put together a system that will have advantages for the cell phone companies such that they will be willing to sign on to this program.

Commissioner Johns asked if we have looked at airports that have this system and evaluated the pros and cons.

Mr. Fermin responded that we have had various discussions with airports that have this new system. We have discovered twice as many airports utilizing this system than stated in the memorandum before the Commission. We found, for the most part, that most airports are seeing far more advantages to the system than disadvantages. The big selling point is that with an airport-owned DAS the coverage is more extensive throughout the airport, whereas today individual cell phone companies with leases for their antennas may experience areas of the Airport with pockets of poor or no coverage.

With an airport-owned DAS the coverage is much more comprehensive and extensive and each cell phone company will have access to that coverage. Further, the cell phone companies will not have to operate and maintain the antenna systems as they do today. If a company wanted to increase capacity or coverage, they would be required to make a capital investment in equipment. In this case they are not required to do so.

Commissioner Johns asked if this system will be designed in such a way that any cell phone company can participate if they have a contract.

Mr. Fermin said that it would be.

Commissioner Guggenhime felt that seven years to break even was a long time.

Commissioner Crayton agreed, saying that technology is changing all of the time.

Mr. Fermin agreed but explained that the seven year break even projection is based on a very conservative assumption that we are only able to increase revenue by just a little more than what we are receiving today. Most likely the break even will be much sooner than that.

Commissioner Crayton asked if we were looking to have a consultant from one of the other systems to lend some of the embedded knowledge to help us along.

Mr. Fermin responded that there are four or five different firms that specialize in putting together these systems and several have worked at other airports. As part of the RFP process we are sending the RFP to these same consultants that have worked at other airports. These consultants not only have experience at many other airports, but with municipal and industrial complexes as well.

Commissioner Crayton asked what happens to the existing antennas that belong to cell phone carriers.

Mr. Fermin responded that they are required to remove their equipment at the end of the lease.

Commissioner Crayton asked if we provide for recouping their costs for removing their equipment.

Mr. Fermin responded that removing the equipment just entails disconnecting it and removing it from the rooftops. It has always been a condition of the lease.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 11 through 17, was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

11. Modification No. 1 to the Professional Services Agreement - Contract No. 8749 Ricondo and Associates - Not-to-Exceed \$400,000

No. 07-0209 Resolution approving Modification No. 1 to the Professional Services Agreement with Ricondo and Associates to increase compensation in an amount not-to-exceed \$400,000 to provide professional Airport Planning Services, including an Airport Layout Plan (ALP) update for SFO, As-needed support related to Runway Safety Area (RSA) planning, and Airport Landside Planning for a new total contract amount not-to-exceed \$575,000.

12. Authorization to Establish a Pool of Qualified Firms to Provide General Airport Security Services and to Negotiate with the Top-Ranked Firm Vendor Screening Services

No 07-0210 Resolution establishing a pool of qualified firms to provide General Security Services and authorizing staff to negotiate with the top-ranked firm for As-needed General Security Services Contract for future Ad-Hoc Security Services.

13. Authorization to Change the Rent Structures of the Off-Airport Rental Car Business Permits

No. 07-0211 Resolution approving termination of the current Off-Airport Rental Car Business Permits to the current off-Airport operators through the issuance of a 30-Day termination notice, and approving the terms of the new Off-Airport Rental Car Business Permits.

14. Airport Advertising Program Lease No. 00-0408

No. 07-0212

Resolution approving Amendment No. 3 to Clear Channel Outdoor, Inc., Airport Advertising Program Lease No. 00-0408 to (1) add premises (laptop work stations, bus shelters, information kiosks, jet bridge, and baggage carousel advertising), (2) amend the Base Rent for some new advertising mediums, and (3) exercise the three one-year options available at the Airport's discretion.

15. Bid Call - Contract No. 8465A - Superbay Hangar Fire Protection Improvement

No. 07-0213

Resolution approving the revised scope, budget, and schedule for Contract No. 8465A, Superbay Hangar Fire Protection Improvement, and authorizing the Director to call for bids when ready.

16. Bid Call - Contract No. 8533 - As Needed Carpet Repair

No. 07-0214

Resolution approving the scope, budget, and schedule for Contract No. 8533, As-Needed Carpet Repair, and authorizing the Director to call for bids when ready.

17. Federal Grant Funding for Explosive Detection Baggage System Improvements in Terminal 1

No. 07-0215

Resolution authorizing execution of Agreements with (1) the Department of Homeland Security - Transportation Security Administration, and (2) Southwest Airlines for reimbursement funding for Explosive Detection Baggage System improvements in Terminal 1 and authorizing the acceptance and expenditure of reimbursement funds.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Mark Gruberg, San Francisco cab driver, said that he has been blocked from serving the Airport due to a dispute he has over the new Smarte Carte system which has recently been installed for taxi drivers to pay the taxi lot fee.

The crux of the problem is that this Taxi Cab/Smarte Carte system registration form, which they were all required to sign as a condition of obtaining a Smarte Carte and serving the Airport, says "...that by signing this registration form, you agree that SFO will not be held liable for any monetary losses incurred by using the SFO Taxi Cab/Smarte Carte system and that you will be responsible for all charges placed on your credit card or debit card by the add value machines."

Mr. Gruberg does not have a quarrel with being responsible for his own mistakes, however, he does not want to be held responsible for the Airport's mistakes ... if the wrong amount is credited on the card, if it gobbles up his money, if his card is lost or stolen and he reported it in time, but, nonetheless it's used by someone else because it has not been blocked ... that is costly to him. He wrote to Director Martin about this and received a letter back from Henry Thompson with an explanation, but it doesn't get to the problem. It does say that the Airport has a system where drivers can file for a refund if they feel they have been cheated by the system, or if they are mistakenly overcharged they can access the short line. That is an admission that there are problems with this system but the drivers should not be required to sign something that takes away their rights.

He would like to serve the Airport but he does not want to sign away his legal rights.

Mr. Rob Maerz, Airport General Counsel, explained that the administration of the system does not preclude the Airport from correcting any mistakes that the system might make. The intent of the provision was to impress upon the drivers that they are responsible for the charges on the card. There is nothing to preclude the Airport from correcting a billing error and reimbursing or cancelling the charges.

Commissioner Guggenheim assumed that the purpose of the waiver is an adhesion contract ... if a driver wants to work at the Airport he/she has to sign the waiver.

Mr. Maerz responded that it could be looked at that way.

Commissioner Guggenheim asked if there have been any problems.

Mr. Martin responded that there have not been any problems. This is standard language in Airport contracts. He assured Mr. Gruberg that the Airport will maintain integrity and if there is an error in the system credit will be received for the charges. It is the way the City does business.

Commissioner Johns asked if this language is any different from contract language found on a credit card.

Mr. Martin said that it was essentially the same language.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

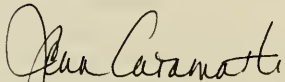
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF vs Factory Mutual Insurance Company, Case No. C 04-5307 PJH; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:35 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

September 18, 2007

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
September 18, 2007

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of September 4, 2007	07-0216	4
D.		ITEMS INITIATED BY COMMISSIONERS:		
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Authorization to Accept Proposals for the Boarding Area E Candy Kiosk Lease	07-0217	4-5
	2.	Authorization to Accept Proposals for the Boarding Area F Candy Store & Kiosks Lease	07-0218	5
	3	Amendment to FY 2007/08 Airport Rates & Charges - Refuse Permit Fee	07-0219	5-6
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Authorization to Issue RFP for Contract 8427A - Professional Engineering Services - Industrial Waste Treatment Plant Improvements	07-0220	7
	5.	Six-Month Trial for Automated Retail Units in Terminal 1 - Zoom Systems, Inc.	07-0221	7
	6.	Accept and Expend TSA Funding for the K-9 Explosives Detection Team Program	07-0222	7
	7.	Assignment of John F. Brown Co. Contract to Jacobs Consultancy for Airport Management Consulting Work	07-0223	7
	8.	Ratify Settlement of Unlitigated and Litigated Claims not Exceeding \$10,000 during FY2006/07	07-0224	7-8
G.		NEW BUSINESS:		8
H.		CLOSED SESSION:		8

Pending Litigation: CCSF vs Factory Mutual
Insurance Company

I.

ADJOURNMENT:

8

AIRPORT COMMISSION MEETING MINUTES

September 18, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheim

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 4, 2007 were adopted unanimously.

No. 07-0216

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 and 2 were called together. Item Nos. 1 and 2 were moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Authorization to Accept Proposals for the Boarding Area E Candy Kiosk Lease

No. 07-0217

Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept proposals for the Boarding Area E Candy Kiosk Lease with a minimum acceptable proposal amount of \$70,000 and a term of five years with two one-year options to extend the term, exercisable by the Airport Commission.

Mr. Leo Fermin, Deputy Director, Business and Finance explained that Item No. 1 is an RFP for the candy kiosk location in Boarding Area E, post security to your left as you walk down the concourse.

Item No. 2 is the candy store and two kiosks in Boarding Area F, which are currently See's Candies.

We have held a pre-proposal conference for both of these RFPs, reviewed the proposed business terms and documents with interested parties and received feedback. For both RFPs we have made a change to the experience and qualifications required in order to broaden the arena of potential bidders.

For the Boarding Area F RFP, as requested by some potential proposers, we have raised the threshold level of the sales tier at which the percentage rates increase from 12% to 14%. Previously, for the Boarding Area F RFP, the 12% rental rate goes to 14% at \$3,000,000 annual sales level instead of the \$1,500,000. Other significant business terms remain unchanged.

2. Authorization to Accept Proposals for the Boarding Area F Candy Store and Kiosks Lease

No. 07-0218

Resolution approving the revised lease specifications and minimum qualifications, and authorizing staff to accept proposals for the Boarding Area F Candy Store and Kiosks Lease with a minimum acceptable proposal amount of \$330,000 and a term of five years with two, one-year options to extend the term, exercisable by the Airport Commission.

Item Nos. 3 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Amendment to FY 2007/08 Airport Rates and Charges - Refuse Permit Fee

No. 07-0219

Resolution approving amending the FY 2007/08 Airport Rates and Charges.

Mr. Ernie Eavis, Deputy Director, Facilities, explained that this item amends the 2007/08 Rates and Charges for Refuse for food and beverage, and retail operators.

We currently charge \$350 for food and beverage operators and \$175 for the retail operators. That gives us approximately 80% cost recovery for garbage pick-up. This resolution recommends amending the fee to full cost recovery ... \$434 for food and beverage and \$217 for retail.

Staff is recommending a 25% discount on those rates for any business that becomes green certified by any local county agency. There are 10 or 12 different agencies in and around San Mateo, San Francisco and Alameda where a company

can become certified.

This will not go into effect until January 1 in order to allow businesses to become green certified and avail themselves of the discount.

Commissioner Guggenhime noted that we will be increasing our loss.

Mr. Eavis responded that we will, but as part of being green certified they will have to increase the amount they recycle so less garbage will be collected. That is where we try to balance it out.

Commissioner Johns noted that when we negotiated the current garbage contract the issue of recycling food waste and sorting became part of the negotiations. Where does this fit into that overall goal?

Mr. Eavis responded that food waste is an extremely small percentage of the amount we recycle.

Commissioner Johns asked about the sorting.

Mr. Eavis responded that we are doing that.

Commissioner Johns asked where these fees and this certification fits into the overall picture.

Mr. Eavis responded that the certification is not just about recycling waste, it is also about trying to save energy and the fleet being green.

Mr. Martin added that it incentivizes concessions to do on-site sort separation.

Commissioner Johns asked if this incentive program helps to achieve the overall goal that we talked about when the contract was renewed.

Mr. Eavis responded that it will.

Commissioner Ito asked how much it will cost concessionaires to go green.

Mr. Eavis responded that becoming green in the long run will not cost more money.

Commissioner Mazzola asked if these certificates were obtainable through recycling facilities.

Mr. Eavis responded that they are through county environmental departments. Those departments then check to make sure that goals are being met as required.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 8, was moved by Commissioner

Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Authorization to Issue a Request for Proposals for Contract 8427A - Professional Engineering Services - Industrial Waste Treatment Plant Improvements

No. 07-0220 Resolution approving the scope, budget, and schedule for Contract No. 8427A, Professional Engineering Services for the Industrial Waste Treatment Plant Improvements, and authorizing the Director to Issue a Request for Proposals.

5. Six-Month Trial for Automated Retail Units in Domestic Terminal 1 with Zoom Systems, Inc.

No. 07-0221 Resolution authorizing a six-month trial with Zoom Systems for two retail vending units in Terminal 1 for a minimum monthly guaranty of \$2,000.

Commissioner Ito asked if the arrangements made with other new vendors has created conflicts with concessionaires.

Mr. Fermin responded that it has not. A location far from existing retail stores was selected for this trial. Duty Free Shoppers did not object to Zoom's lease in the International Terminal because there is very little overlap in the products carried.

Mr. Martin added that the retail concessionaires in Terminal 1 were informed of this trial and no protests were received.

6. Acceptance and Expenditure of Transportation Security Administration (TSA) Funding for the K-9 Explosives Detection Team Program of up to \$147,000

No. 07-0222 Resolution authorizing the Acceptance and Expenditure of Transportation Security Administration (TSA) Funding for the K-9 Explosives Detection Team Program of up to \$147,000.

7. Assignment of the John F. Brown Company Contract to Jacobs Consultancy for Airport Management Consulting Work

No. 07-0223 Resolution approving assignment and name change of the John F Brown Company Airport Management Consulting Contract to Jacobs Consultancy.

8. Ratification of the Settlement of Unlitigated and Litigated Claims not Exceeding \$10,000 during FY 2006-2007

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary

There were no requests to speak from the public.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:16 AM and the closed session began.

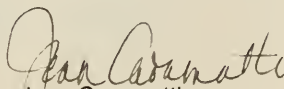
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF vs Factory Mutual Insurance Company, Case No. C 04-5307 PJH; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

The Commission reconvened its public session at 9:45 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

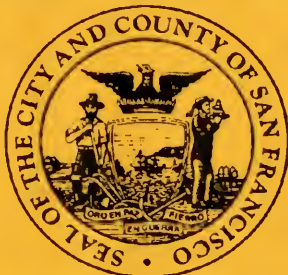
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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

October 3, 2007
Special Meeting

9:00 A.M.

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LARRY MAZZOLA

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LINDA S. CRAYTON

Vice President

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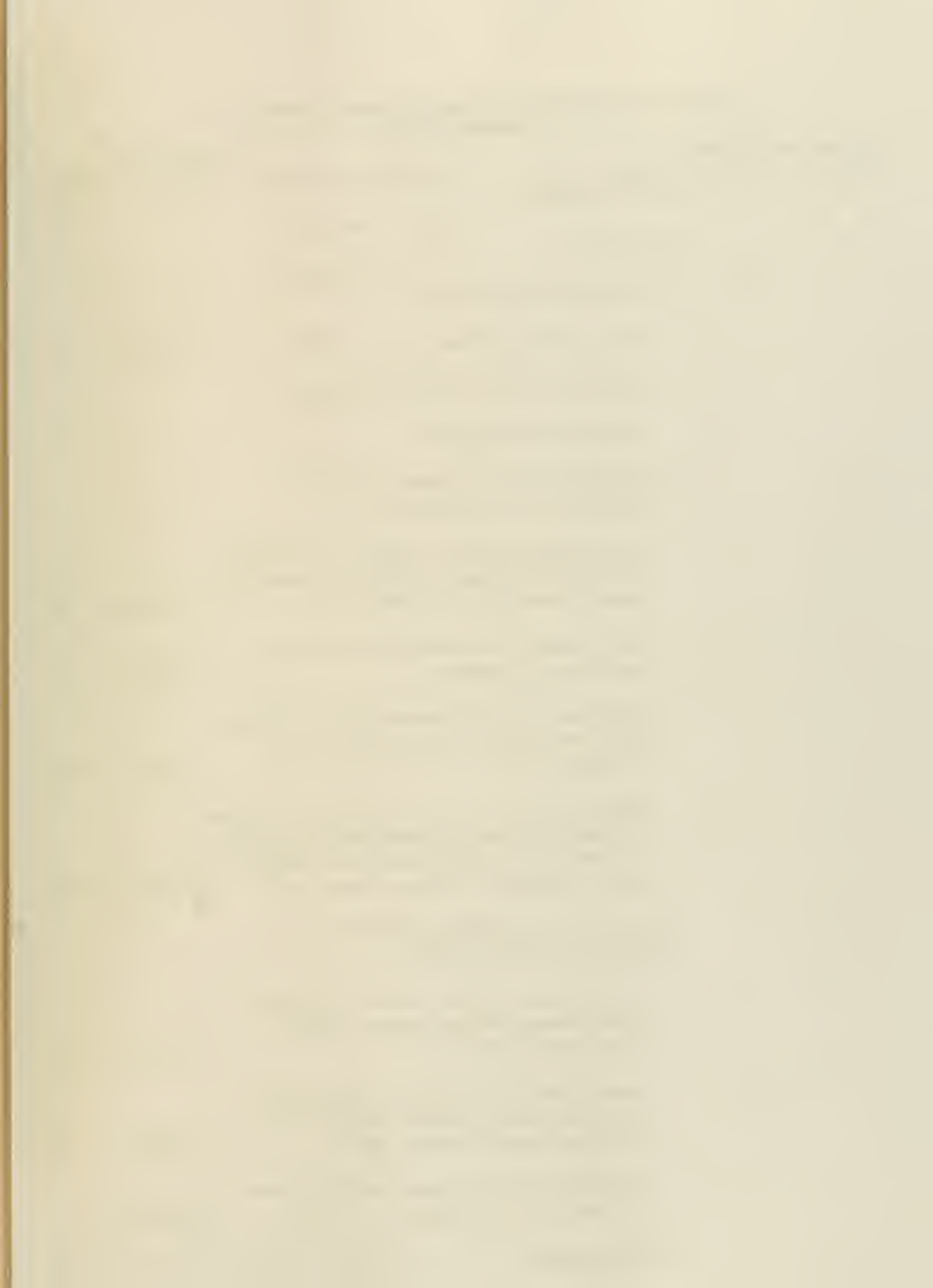
ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Special Meeting of
October 3, 2007

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of September 18, 2007	07-0225	4
D.		ITEMS INITIATED BY COMMISSIONERS:		
		Customs and Immigration		4
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 8204A - Design Build Services for Secure Connector - Terminal 3 to Boarding Area G - Hensel Phelps Construction	07-0226	4-6
	2.	Award Contract 8765 - Perimeter Security Pilot Project - Quatrotec	07-0227	6
	3.	Modification No. 4 to Contract 8679 - Air Cargo Explosives Detection Pilot Program - D.W. Nicholson Corp.	07-0228	6-8
	4.	Modification No. 1 to Contract 4200R2 - T3 Power Distribution System Improvements - Granite Rock Co., dba Pavex Construction Division and Bay Area Systems Solutions, dba Bass Electric, a J.V.	07-0229	8-9
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Award Contract 8255C - Waterline Inspection and As-Needed Utilities Repairs - Synergy Project Management, Inc.	07-0230	9
	6.	Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement No. 01-0343 - Exercise Second One-year Option	07-0231	9
	7.	Amendment No. 2 to Airport Hair Salon Lease No. 00-0144 - SFO Hairport	07-0232	9
G.		NEW BUSINESS:		10

H.	CORRESPONDENCE:	10
I.	CLOSED SESSION:	
	Potential Litigation	10
J.	ADJOURNMENT:	10

AIRPORT COMMISSION SPECIAL MEETING MINUTES

OCTOBER 3, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 263, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Hon. Linda S. Crayton, Vice President arrived at 9:10 AM during discussion of Item No. 1.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 18, 2007 were adopted unanimously.

No. 07-0225

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito noted that the Customs/Immigration issue was satisfactorily concluded.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Award of Contract No. 8204A - Design Build Services for Secure Connector - Terminal 3 to Boarding Area G - Hensel Phelps Construction - \$2,930,000

No. 07-0226

Resolution awarding Contract 8204A, Design-Build Services for Secure Connector, Terminal 3 to Boarding Area G to Hensel Phelps Construction, in the amount of \$2,930,000.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction explained that this item requests Commission authorization to award a contract to Hensel Phelps for Design-Build services for the Secure Connector - Terminal 3 to the International Terminal Boarding Area G. The proposed initial contract amount is \$2,930,000.

In response to the RFP, the Airport received two proposals. Both proposals were reviewed and deemed to be responsive to the RFP and the City Administrative Code requirements. Both proposers are also deemed to be well qualified to perform the required scope. Each proposal did have a minor error or omission, which were reviewed by the City Attorney's Office and determined to be of an administrative nature and did not rise to the level of responsiveness.

The scoring of the proposals was based on the selection criteria contained in the RFP, where 60% of the points were based on the cost evaluation and 40% was based on the qualifications criteria in accordance with Administrative Code requirements for design-build solicitations. In the evaluation of qualifications, both proposals were excellent, with the selection panel determining that both were well qualified, both had well thought-out management approach and strategies, both developed an appropriate design approach, and confirmed that the stated budget and schedule appear to be reasonable. Based on the qualifications criteria, the proposers were essentially equal. The cost component of the evaluation, weighted at 60% of the evaluation, resulted in Hensel Phelps being determined to be the proposer providing the overall best value. For the cost component Hensel Phelps received 180 points and Shimmick received 108 points. The calculation is in the RFP and is based on a formula which takes into consideration each firms proposed design fee, general conditions costs and overhead and profit mark-up.

The disparity between the proposed costs is contained within the proposed general condition costs. It could be attributable to any number of things, including their profit requirements, their projections for self-performing portions of the work, or the opportunity cost of not pursuing other work with the proposed resources.

Airport staff is proposing to award this contract in the initial amount of \$2,930,000. This amount funds the design fee for \$1,900,000, the general conditions costs for \$580,000, and an initial amount of \$450,000 for preliminary construction activities. Staff will return to the Commission as design proceeds with recommendations to award additional scope based on bids received for the various trade packages. The contractor will be required to obtain a minimum of three bids for each trade package. The total GMP for the project will be known and presented for Commission approval after the last trade package has been bid. At each stage staff will update the Commission on the schedule performance and cost forecast. The current established budget is \$16,700,000. Staff currently anticipates achieving substantial completion by November 2008.

Due to the Federal funding component, there are no DBE goals for this contract. Funding will be provided from Federal grant funds and Airport Capital Improvement Program funds.

Commissioner Ito asked if Shimmick has done work for the Airport in the past.

Mr. Satero responded that they did work on the Master Plan.

Commissioner Ito recalled that there were some HRC issues with Hensel Phelps.

Mr. Martin responded that nothing came of the complaint.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Award Contract 8765 - Perimeter Security Pilot Project - Quatrotec - \$1,349,896

No. 07-0227

Resolution awarding Contract 8765 to Quatrotec in the lump sum amount of \$1,349,896 to provide perimeter security system integration services as specified in the Other Transaction Agreement between the Airport and the Transportation Security Administration's Airport Perimeter Security Technology Enhancement Program.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that this contract award to Quatrotec is the culmination of a Request for Proposals authorization granted by the Commission on May 1, 2007. The project scope of this contract is for Quatrotec to integrate the design, procurement, installation and programming of a pilot security technology system as specified in an Other Transaction Agreement between the Airport and the TSA.

This pilot project will be fully funded by the TSA. The project will utilize the Airport's existing CCTV system that already covers certain portions of the perimeter security fence line to detect motion and send automatic alarms to our Security Operations Center. The project innovation is the utilization of an existing FAA radar that is used to detect motion on runways. This project will integrate those images from that radar and use it to detect motion around certain portions of the Airport perimeter fence.

The entire contract amount of \$1,349,896 was awarded to the Airport by the TSA and the project is 100% federally funded and is at no cost to the Airport.

The Airport received two proposals in response to the RFP. The three member evaluation panel scored the proposals with Quatrotec receiving a significantly higher score than the other proposer.

No protests were filed and the Airport's Small Business Affairs Office has determined that there are no federal DBE participation goals for this project.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 4 to Contract No. 8679 - Air Cargo Explosives Detection Pilot Program - D.W. Nicholson Corporation - \$100,000

Resolution approving Modification No. 4 to Contract No. 8679, Air Cargo Explosives Detection Pilot Program, with D.W. Nicholson Corporation in an amount not-to-exceed \$100,000, for a new total contract amount not-to-exceed \$8,222,987, to improve the throughput of the United Airlines cargo screening system.

Mr. Satero explained that this resolution modifies the Phase 2 design-build contract with D.W. Nicholson for deployment of the Air Cargo Explosives Detection Screening Systems in an amount not to exceed \$100,000 for added scope related to improving the throughput of the United CT (Computed Tomography) screening system. The CT system is the part of the system that utilizes the CTX9000 machines.

The contractor is nearing completion of the Phase 2 scope of work which provides for the design and deployment of the cargo screening systems. Phase 1 provided for the removal of the four surplus CTX 9000 machines from the International Terminal for deployment in the Pilot Program.

ETD Screening, or Trace Detection screening, has been operational for several months at both the Northwest/Continental facility and the United facility. At the United facility, the CT screening system, which utilizes the CTX 9000 machines, is nearing completion. As noted in the previous modification to this contract, Lawrence Livermore, in consultation with the Airport, elected to suspend further work on the Northwest/Continental screening system to save budget. Our forecast indicated that that budget would be necessary for the United screening system due to the complexities of the system.

As data was collected at the United Trace Detection system, it became apparent that the large percentage of break bulk cargo, which is independent packages that have to be screened through the system independently, that larger percentage would cause a throughput issue of the CT side of the screening system. Prior to the packages entering the system they have to be weighed and dimensioned. This is currently a manual operation and it is a bottleneck in the system. The contractor proposed to solve this problem by installing this equipment inline with the system. The additional scope will consist of adding another weigh/dimension station into the inline system as well as adding roller beds and a vacuum lift system. This work will take approximately one month to complete.

Lawrence Livermore agrees that this is a necessary enhancement and will assure the throughput of the United system. They have committed to reimbursing this cost in the not to exceed amount of \$100,000. They further acknowledge that this amount will cause the Airport to exceed the \$10 million Reimbursement Agreement limit and that a future modification is necessary to include this scope of work. Due to the urgency to include this work, the Airport proposes to advance the funding and obtain reimbursement through a modification to the Reimbursement Agreement following the additional accept and expend authorization from the Board of Supervisors to increase the authorization limit.

The Airport proposes to present this to the Board within the next two to three months. We may also add additional scope related to demobilizing the system in the event that further federal funding is not provided, or continuing the operation into 2008.

The contractor anticipates going operational with the United CT system within the next few days.

Commissioner Ito asked if there were any preliminary assessments as to how much more time it will take to run the cargo through this new security process.

Mr. Satero responded that this was a key issue for us. When we originally sized the system we monitored it and looked at the total throughput at peak times and then designed the system. We added another CTX and we also allowed for future expandability. We were concerned about throughput early on. We feel the calculations on this enhancement will keep up with United's peak demand.

Regarding cost effectiveness, United's volume of cargo brings the cost per parcel down to the \$3.00 to \$5.00 range.

A Northwest/Continental system, which does not have near the volume of United's system, would have costs ranging in the \$80 to \$90 per parcel.

This has been useful information in the deployment of cargo systems. Stand alone cargo screening systems probably don't make economic sense, but consolidated high volume use with multiple users is probably what works for the economics.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 1 to Contract No. 4200R2 - Terminal 3 Power Distribution system Improvements - Granite Rock Company, dba Pavex Construction Division and Bay Area Systems Solutions, dba Bass Electric, a Joint Venture - \$500,000

No. 07-0229

Resolution approving Modification No. 1 to Contract No. 4200R2, Terminal 3 Power Distribution System Improvements with Granite Rock Company, dba Pavex Construction Division and Bay Area Systems Solutions, dba Bass Electric, a Joint Venture to implement additional energy efficiency measures in an amount not-to-exceed \$500,000, for a new total not-to-exceed contract amount of \$3,427,925.

Mr. Ernie Eavis, Deputy Director, Facilities, said that over the last few months staff has been working with the SFPUC to come up with an energy audit to figure out ways of saving electricity and energy at the Airport. The first phase of that audit has been completed and one of the main areas of concern was the chillers and boilers in our Central Plant. The boilers are inefficient and worn out. We are at

risk if we do not do something quickly to repair at least one of the boilers. The Capital Plan includes boiler replacement.

The item before the Commission requests approval to add funds to the North Terminal project which will save energy and refurbish one of the boilers. We need at least one good boiler working as we begin taking the others out of commission.

We are trying to look at every facet of making the Airport more environmentally sensitive.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 7, was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

5. Award of Contract No. 8255C - Waterline Inspection and As-Needed Utilities Repairs - Synergy Project Management, Inc. - \$735,500

No. 07-0230 Resolution awarding Contract No. 8255C, Waterline Inspection and As-needed Utilities Repairs, to the lowest responsive, responsible bidder, Synergy Project Management, Inc., in the amount of \$735,500.

6. Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement No. 01-0343 - Exercise Second One-year Option

No. 07-0231 Resolution exercising the second of five, one-year options to extend the term for Smarte Carte, Inc.'s Luggage Cart Program Lease & Operating Agreement No. 01-0343 extending term of April 1, 2008 thru March 31, 2009, and directing the Commission Secretary to seek Board of Supervisors approval.

7. Amendment No. 2 to Airport Hair Salon Lease No. 00-0144 - SFO Hairport

No. 07-0232 Resolution approving Amendment No. 2 to Lease No. 00-0144, William and Gloria Rosario dba SFO Hairport, an Airport Certified Disadvantaged Business Enterprise, to (1) authorizing the waiver of Hairport's requirement to provide at least one year notice of its intent to exercise its one five-year option under the Concession Support Program; and, (2) relocates the premise.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

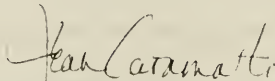
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

October 16, 2007

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

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COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
October 16, 2007

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AIRPORT COMMISSION MEETING MINUTES

October 16, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 3, 2007 were adopted unanimously.

No. 07-0233

* * *

D. DIRECTOR'S REPORT:

1. EEO Report for Fiscal Years 2006/2007 and 2007/2008

Airport Commission's Labor Force Analysis and
EEO Activities Report for FY 2006/07 and 2007/08.

Ms. Theresa Lee, Deputy Director, Administration, said that the Airport's EEO report includes information regarding.

- EEO Program achievements for FY 2006/07;
- EEO Program activities for FY 2007/08; and,
- A work force review and utilization analysis of the Airport's labor force, department-wide by division, job category, race and gender.

In the last fiscal year the Airport's work force increased from 1,298 to 1,465 employees. This is an increase of 11% or 167 employees primarily due to filling positions vacant over the last several years.

On page 17 of the report is the work force composition of the Airport Commission for FY 2006/07 compared to FY 2005/06.

The Airport Commission staffing composition has a few notable changes. For example ...

- European Americans and women continue to be underutilized at the Airport. However, utilization of women did increase 2% in the last year.
- Depending on the Airport Division, underutilization varied from division to division. For example, while European Americans and women were underutilized in Facilities. All other protected groups were well utilized. Except for Asians, all protected groups were well utilized in the Airport Operations Division.

To address the underutilization of females and other underutilized groups and to ensure equal utilization of a diverse labor force, the EEO office plans to focus its outreach recruitment in the following ways during FY 2007/08

- Continue to work with the Airport Commission's five-member Recruitment Advisory Committee to develop new and innovative ways to attract qualified and diverse applicants for Airport vacancies.
- Designate an EEO staff member to work half time on coordinating the Airport Commission's outreach and recruitment effort and the other half on training.
- Have work site supervisors and managers become more involved in outreach and recruitment activities of their respective vacancies, e.g., recommend recruitment resources, attend recruitment fairs, suggest internal candidates for application, etc.
- Implement the custodial and window washer trainee programs. These two programs were developed last year and are ready for implementation this year. These are two areas where the need for increased diversity has been identified.
- Implement the communication dispatch recruitment suggestions identified in the last year.
- Begin dialogue with craft and maintenance unions to expand recruitment efforts for vacancies at the Airport,

The Airport's Climate Survey of the work force was established five years ago. The climate survey ratings for the Airport Commission increased 3% from 80% to 83%, suggesting that employees are happier and enjoying their workplace environment. The Airport Commission has begun a management development program using the Personnel Profile Assessment tool DiSC that was created by the Center for Creative Leadership, as well as the 360 degree Assessment Survey.

We have also implemented the Transgender Economic Empowerment Initiative which was created by the Mayor's Office. The Airport and the PUC were

selected as the first two city departments to participate in the initial implementation of this program. The Airport Commission initiated this program by providing awareness training to all senior and management staff in Spring 2007.

Other EEO and training initiatives and programs in the works include:

- Development of an in-house mentoring program.
- Implementation of on-line Sexual Harassment Prevention refresher course to all Airport Commission employees.
- Examination and development of a study on disability and workers compensation injury requests. The purpose of the study is to recommend better ways for supervisors to manage such issues.

Commissioner Ito said that while it appears that progress has been made in the Hispanic community, her concern is still in terms of movement for minorities in the lower rungs of employment ... in the service/maintenance areas in particular.

We are using the 11 Bay Area Counties as our baseline for this information. What opportunities are available for the immediate local community ... San Francisco, San Mateo County and the East Bay? Are we keeping on eye on a separate pool of information in terms of our local recruiting efforts in areas like the Bayview Hunter's Point, Western Addition, etc.

These numbers are looking good but representation from certain communities get a little skewed because we are looking at 11 Bay Area Counties.

Ms. Lee responded that the City Department of Human Resources chose the 11 Bay Area Counties because, based on their survey, about 99% of the total City workforce is in the 11 Bay Area Counties.

Mr. Martin said that the data Commissioner Ito is looking for can be prepared for San Francisco and San Mateo Counties, and a comparison can be done for those counties, both for existing employees and new hires. We do find that new hires are more likely to come from the City and then once employees are at the Airport for a few years they often move to San Mateo County.

Ms. Lee added that we keep monthly data on residency. Currently, slightly more than one third are San Francisco residents, one third reside in San Mateo, and one third in other counties.

Commissioner Ito asked about leadership opportunities in the department. Will we have additional slots for high school and college interns?

Ms. Lee responded that we continue to increase the number of intern slots. This years and next years budget will reflect an increase in the number of management interns. Those are college graduates who have expressed an interest in working in the aviation field. It is a year around program. We are the only City department that outreaches aggressively to high schools and Community Based Organizations (CBO).

Commissioner Crayton asked about the diversity of people showing up for the janitorial training program located at the Evans facility in the Bayview Hunters Point.

Ms. Lee responded that there is a large number of Asians as well as African Americans. We are considering that site for outreach and collaboration on our new Custodial Training Program. We need a lot more diversity at the Custodial entry level. The Supervisory level is quite diverse.

Commissioner Crayton asked if applicants showing up for the Custodial Training program and other programs have difficulty passing the security background check.

Ms. Lee responded that we have had situations ... but not many.

Commissioner Crayton asked if it adversely affects a certain population demographic.

Ms. Lee responded that on one exam it may affect one group more than another. We may have up to 700 applicants and as we narrow them down it may hit one group more than another from time to time. With the African American community, our Employment Community Partnership office and our EEO office have come up with a program to work jointly with CBOs. The CBOs are told that their applicants must meet certain requirements. Hopefully, this helps prepare their applicants to resolve any issues beforehand.

Ms. Lee added that all employment, whether it is an intern or a full time employee, requires a background check prior to commencing work.

Mr. Martin added that Custodial managers are very careful to make our security clearance requirements known to potential applicants.

Commissioner Crayton noted that she has heard of situations where an employee has been working and then is let go six months later for a bad credit rating.

Mr. Martin responded that it is never for a bad credit rating.

Ms. Lee added that there have been rare cases where an employee has been told by the Customs Office that a problem exists after everything has cleared.

Commissioner Crayton noted that there have been 16 discrimination complaints ... some have been settled and some have been dismissed.

Ms. Lee responded that those 16 complaints also include informal complaints. All complaints are taken seriously. If an employee goes to a supervisor with a problem and they don't want to file a formal complaint, it must still be investigated. In the past, some of those informal complaints have blossomed into a formal complaint. In hindsight, if we had done more in the beginning with those complaints we might have been able to mediate them more effectively.

Orientation for new employees includes training for preventing discrimination and sexual harassment. We have on-going training as well.

Commissioner Crayton asked what is being done in terms of succession planning and how diversity will look in the future.

Ms. Lee responded that we are working on developing a succession program. The Civil Service System limits us in terms of identifying a particular employee for a position. That is why our efforts are focused on recruitment and outreach. We need diversity at the professional entry level so that we mentor and develop employees. Our Leadership Development Program includes coaching and mentoring and provides special projects so that employees can be cross trained.

Commissioner Johns noted that Females and African Americans were being underutilized. She asked if we have done analyses on job categories where these groups are underutilized to determine the percentages of those who apply as opposed to those who were hired.

Ms. Lee responded that we have done analyses of certain job groups after hiring has been done. While race cannot be used as a factor, the analysis provides us with information on where more recruitment and outreach is needed. We have done that with Custodial and some of the crafts. We are also working with labor unions to see how we can collaborate to diversify the pool.

When issues arise we discuss with the hiring manager the type of questions being asked and the minimum qualifications being required.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Award of Contract No. 8738 - General Security Services - Covenant Aviation Security, LLC - \$1.4 Million

No. 07-0234

Resolution awarding General Security Services Contract No. 8738 to Covenant Aviation Security, LLC for a period of two years, with three one-year options, in an amount not-to-exceed \$1.4 Million.

Mr. Tryg McCoy, Deputy Director, Operations and Security explained that this item seeks award of a two year contract to Covenant Aviation Security to conduct

vendor post-security screening services.

Approximately 14 months ago the Transportation Security Administration (TSA) issued a Security Directive to all US airports that required us to conduct inspections of all vendor deliveries to the post security areas of the airport. There are certain deliveries of food, water, paper products that come via the airfield and don't go through checkpoints. The TSA issues a Security Directive that all of those deliveries must be inspected. At that time the Commission approved issuing an emergency contract to begin the inspections.

On May 22, 2007 the Commission approved issuance of an RFQ to establish a pool of qualified security vendors that could perform the inspections on an on-going basis. On September 4, 2007 the Commission approved the pool and authorized negotiations with the top ranked vendor, Covenant Aviation Security.

Those negotiations resulted in a contract agreement with terms acceptable to both parties. The recommendation before the Commission today is to award the General Security Services Contract to Covenant Aviation Security LLC for a period of two years with three one-year options at the sole discretion of the Commission in the amount of \$1.4 million. Employees hired by Covenant Aviation Security for this contract will be represented by SEIU.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Award Contract 8831 - Professional Services for Transitioning Contract No. 5703A - AirTrain System - Phase II Services - PGH Wong Engineering - \$350,000

No. 07-0235	Resolution awarding Professional Services Agreement, Contract No. 8831, to PGH Wong Engineering in an amount not-to-exceed \$350,000. This contract will provide procurement administration support to staff for long-term AirTrain Operation and Maintenance services following the expiration of the 5703A contract. Funding will be provided from the Airport's Operating budget.
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Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this item awards Contract No. 8831 to PGH Wong Engineering to assist the Airport in preparing for the transition from the 5703A AirTrain System Phase II O&M services contract to a new Phase II contract.

In 1998, the Commission awarded the 5703A contract to what is now Bombardier Transportation to provide for both the Phase I (design/build) and Phase 2 (operate/maintain) services. The base contract Phase 2 services provided for a three year fixed period for providing O&M services, which ended in 2005. The Commission elected to award two of the three one-year option extensions to the contract. Next month staff will recommend that the Commission award the third and final option year extension, with services to be concluded in February 2009.

Prior to the expiration of the current contract, it is imperative that the Airport have a follow-on contract in place to assume AirTrain O&M responsibility.

To prepare for the upcoming expiration of the 5703A contract, staff requires administrative and technical support services with the appropriate expertise in the design, performance, and O&M of the Airport people mover systems. The expertise is necessary to assist staff in the development of the RFP, and the development of the new O&M contract. Similar Phase II support services were provided by the construction manager on the 5703A contract, a joint venture of PGH Wong and Luster CM, during the initial years of O&M of AirTrain.

PGH Wong is on the Airport's short-list for as-needed construction management services. In reviewing the proposals of the short-listed firms, staff determined that PGH Wong is the firm most qualified to provide the necessary expertise to transition into a long-term O&M contract. PGH Wong will assist in developing the RFP and in the preparation of an updated contract.

PGH Wong will assist with developing the selection criteria, including minimum qualifications, evaluation criteria, and cost estimates for the RFP. For the contract preparation work they will assist staff in developing the contract terms and conditions to reflect current industry standards and best practices, including minimum performance standards and customer service standards, and make recommendations for improving on the delivery of services. They will also assist in reviewing the contractor's performance against the current SFO contract and make recommendations for improvement. For example, incentives for the current contract structure focus on recovering the system when it is down. This primary objective does not include a priority of making sure that the passengers are properly informed and taken care of. We think we can restructure the contract to shift towards a very strong passenger focus as well as a recovery of the system.

The not-to-exceed amount for the contract is \$350,000, with a term of up to two years. Most of the work will be done in the next four months to six months to allow for issuing the RFP by April 2008.

Staff will work with the HRC to develop the LBE subcontracting goals.

Commissioner Ito asked if PGH Wong will be eliminated from competing given their role in this effort.

Mr. Satero responded that they would not bid on this contract because they typically do not provide this type of service. Their focus is mainly construction management and engineering, not operations and maintenance.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

4. Award Contract 8351B - Airfield Drainage Improvements - Ghilotti Bros., Inc. - \$429,745

No. 07-0236

Resolution awarding Contract No. 8351B, Airfield Drainage Improvements, A.I.P. No. 03-06-0221-38, to the lowest responsive, responsible bidder, Ghilotti Bros., Inc., in the amount of \$429,745.

Mr. Ernie Eavis, Deputy Director, Facilities said that over the last 75 years we have had about 20-30 different expansion fill projects. Those different projects used different materials for those expansions. Because of that the airfield settles at differential rates causing depressions. Left unfilled those depressions will turn into ponds and will be described as wetlands. The FAA also has very strict criteria on airfield grading.

This contract will take care of those depressions and make sure that the airfield meets FAA requirements.

Ghilotti Bros. submitted the lowest bid of the five bids that were received. The contract will receive 75% FAA funding.

Mr. Martin called the Commission's attention to the closeness of the bid to the Engineer's Estimate.

Item No. 5 was moved to the Consent Calendar.

5. Authorization to Accept Bids for Garage Taxi Staging Area Mobile Catering Truck Lease

No. 07-0237

Resolution approving the final lease specifications, minimum qualifications, and proposal requirements, and authorizing staff to accept bids for the Garage Taxi Staging Area Mobile Catering Truck Lease, with a term of one year, with two one-year options exercisable by the Airport Commission, and a minimum acceptable bid amount of \$40,000.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 13, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Modification No. 1 of Cathay Pacific Airways, Ltd. Lease and Operating Agreement L99-0321

No. 07-0238

Resolution approving Modification No. 1 of Cathay Pacific Airways' Lease and Operating Agreement No. L99-0321 which adds approximately 391 square feet of Category II Exclusive Use Space in the International Terminal and directing the

Commission Secretary to request Board of Supervisors' approval of the lease modification.

7. Reject The Bid - Contract No. 8533 - As-Needed Carpet Repair

No. 07-0239

Resolution rejecting the bid for Contract No. 8533, As-Needed Carpet Repair, and authorize the Director to re-bid this contract when ready.

8. Project Horizon, Inc., dba InMotion Pictures - Exercise of the Second of Two One-Year Options under Lease No. 02-0170

No. 07-0240

Resolution approving the exercise of the last option to extend the term of Project Horizon, Inc., dba InMotion Pictures' Lease No. 02-0170, for an option term of October 7, 2008 through October 6, 2009.

9. Project Horizon, Inc., dba InMotion Pictures - Exercise of Two-Year Option under Lease No. 03-0006

No. 07-0241

Resolution approving the exercise of a two-year option to extend the term of Project Horizon, Inc., dba InMotion Pictures' Lease No. 03-0006, for an option term of November 6, 2008 through November 5, 2010.

10. U-Threads, Inc.'s Terminal 3 Professional/Collegiate Team Sports Theme Store Lease No. 02-0244

No. 07-0242

Resolution approving the exercise of U-Threads, Inc.'s two-year option under the Terminal 3 Professional/Collegiate Team Sports Theme Store Lease No. 02-0244, for an option term of May 19, 2008 through May 18, 2010.

11. Authorization to Settle an Unlitigated Claim and Execute the International Business Machines Corporation (IBM) Release Agreement

No. 07-0243

Resolution authorizing settlement of an unlitigated claim and execution of the IBM Release Agreement (Release Agreement), which accepts a credit of \$20,000 to settle and resolve, without litigation, disputed IBM Services provided to the Airport.

12. Authorize Director to Execute Grant Agreement with the San Francisco County Transportation Authority for Clean Air Vehicles

No. 07-0244

Resolution authorizing Airport Director to execute grant agreement with the San Francisco County Transportation Authority in the amount of \$96,000 for the acquisition of 24 low emission Compressed Natural Gas (CNG) vans by permitted Airport fleets.

13. Authorization to Sublease Off-Airport Warehouse Space Located at 245 South Spruce Avenue, South San Francisco, California to New Zoom, Inc., Sublessee

No. 07-0245

Resolution authorizing sublease of 30,800 square feet of off-airport warehouse space at 245 South Spruce Avenue, South San Francisco at \$16,940 monthly to New Zoom, Inc., as sublessee.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:38 A.M. and the closed session began.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR: California Government Code Section 54956.8.

Property: San Francisco International Airport.
Person Negotiating: John L. Martin, Airport Director

And, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:44 A.M. The Commission determine that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**October 30, 2007
Special Meeting**

9:00 A.M.

**Room 416 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Special Meeting of
October 30, 2007

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AIRPORT COMMISSION SPECIAL MEETING MINUTES

October 30, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

Absent:	Hon. Caryl Ito
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 16, 2007 were adopted unanimously.

No. 07-0246

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Retirement Resolution - Leonard Javier

No. 07-0247	Resolution thanking Mr. Leonard Javier for 28 years of faithful service and to offer best wishes for a long and fruitful retirement.
-------------	--

John Martin, Airport Director, said that Mr. Leonard Javier is retiring after 28 years at SFO as a Stationary Engineer working in the Mel Leong Treatment Plant. He always demonstrated excellent and dependable service and consistent attention to the details of his duties in protecting the environment. He was a model employee for his co-workers.

* * *

E. DIRECTOR'S REPORT:

2. Presentation of SFO's Sustainability Report - Oral Report

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that this year, SFO has prepared its first Environmental Sustainability Report. The report recognizes SFO's past achievements in environmental programs and presents a context for the public and stakeholders to understand SFO's commitment for the future in reducing our consumption of natural resources and the impact to climate change.

The Airport has a long-standing history of focus and achievement in the stewardship of the environment. The leadership of SFO recognized early on that it is not enough to simply address environmental issues in terms of convenience or return on investment. Over the past decade SFO has made a significant investment in environmental programs by implementing improvements to address issues of water quality, air quality, noise and the use of natural resources. More recently the focus, commitment and investment in the environment was recognized by Airport Senior Staff as a key strategic objective with the development of SFO's Green Airport Program in 2005. This program focused on the Airport's existing business model and investigated and implemented initiatives to improve upon current business practices. A further evolution of the Green Airport Program is this year's SFO Environmental Sustainability Program which pursues continuous improvement in existing practices and looks for opportunities for implementing new business processes and technologies. It is a goal oriented plan which sets high standards, and supports the City's overall environmental objectives and goals.

In recognition of the Airport's commitment to the environment, in August ACI-NA awarded to SFO the Environmental Management Award for SFO's Environmental Sustainability Report and Program. This award recognized the Airport's key role in meeting the City's commitment to attaining environmental sustainability. It further recognized the significant measures undertaken to reduce emissions, save energy, improve water quality, preserve natural resources, and minimize waste.

Just to highlight a few key elements of SFO's Environmental Sustainability Program and to put the numbers you are going to hear in the context of SFO, we talk about carbon footprints and our estimation is SFO has approximately a carbon footprint in equivalent CO₂ tons of 26, 000. These reductions will be discussed in that carbon footprint as we go through some of these key initiatives:

In the area of Reducing Impacts to Climate Change/Global Warming, the achievements include:

- Construction of two CNG dispensing facilities for refueling of clean natural gas power vehicles operated by the Airport, tenants and other transportation service providers. This has resulted in an estimated annual CO₂ emissions reduction of 1,460 tons in 2006.
- Conversion of all the Airport-operated shuttle buses to biodiesel, saving an estimated 35,000 gallons of diesel fuel per year, translating to a CO₂ emissions reduction of 50 tons per year.
- The opening of AirTrain in 2003, eliminating 200,000 annual shuttle bus trips

- from the terminal loop, preventing the release of 565 tons of CO2 each year.
- The Inherently Low Emission Airport Vehicle Program has resulted in the deployment of 4 natural gas remote parking facility shuttle buses, deployment of 30 electrical vehicles, deployment of 54 electric ground service equipment, and the retrofit of 83 gas powered vehicles to propane.
- The Airport's Clean Air Vehicle Policy which establishes that 100% of vehicles, where possible, should be powered by clean fuels by 2012.
- The Virgin Atlantic towing trial of the 747 this past summer from the gate to a starting point on the airfield which resulted in an estimated saving of 595 lbs of jet fuel, preventing the release of 1,709 lbs of CO2 and demonstrating the feasibility of such a program. However, there remain significant technical challenges to implementing such a program on a broad basis.
- Participating in the City's goal to reduce greenhouse gas emissions to 20% below 1990 levels by 2012, well in advance of the state-mandated 2020 target.

Energy Conservation and Renewable Energy:

- Implemented a solar energy program, with most recently the installation of 50,000 sq. ft. of solar panels on top of Terminal 3, which will provide for an equivalent reduction in CO2 emissions of 215 tons per year.
- Implementing the indoor lighting energy saving program, which replaces incandescent light bulbs with fluorescent bulbs and provides for an equivalent reduction in CO2 of 154 tons per year.

Noise Abatement:

- The Fly Quiet Program which scores the airlines, with their voluntary participation, and grades them on their performance. Scores are made available to the public. Scoring takes into consideration issues such as fleet noise quality, exceedances of allowable noise levels, nighttime preferential runway use, shoreline departure frequency and gap departure frequency.
- The Noise Complaint Program which compiles and updates a database to allow for research of the flight operations leading to the complaints, and is then shared with aviation system professionals to develop operational changes that will address the nuisance.
- The Aircraft Noise Monitoring System which is a state of the art system, upgraded in 2006, consisting of 29 stations, which tracks noise levels in communities around the Airport. This assists the Airport in tracking individual complaints to specific flights and aircraft types, and provides for live flight movement and aircraft paths which are available online to the community.

Water Conservation and Quality Enhancements:

- In 2005, a new \$37M state of the art treatment unit upgrade to the Wastewater Treatment Plant was completed to meet SFO's future demands.
- Continuous upgrades to industrial waste treatment capabilities by constructing detention ponds and transmission pipelines to the Airport Industrial Waste Treatment facility which prevents the runoff of untreated storm water into the bay.

Solid Waste Reduction and Recycling:

- The Airport continues to improve in the area of recycling by implementing initiatives which target the separation of recyclable materials from solid waste at the sources. The recycling of construction and demolition debris as well as the programs focused on food waste separation and recyclable separation throughout the terminals has resulted in a 95% recycling rate in 2006. The estimated savings as calculated in a reduction in equivalent CO₂ is 4,500 tons annually, due to the reduced energy requirements to extract, transport and process the re-used materials. For the Municipal Solid Waste component, which is at a current recycling rate of approximately 54%, the Airport has set a goal of 75% recycling by 2010.
- The Airport will also continue with incentive programs with tenants to encourage and promote recycling and reductions in waste generation and power consumption.

Over the next few years we will pursue additional environmental sustainability initiatives and investigate new and innovative approaches. Also, where appropriate, we will include in Capital Plan funding for new programs and will continue to work with the PUC to implement the initiatives of their Airport Energy Audit Program.

Funding initiatives and programs may include:

- Expanded solar panel installations.
- Addition of aircraft preconditioned air and 400 hz equipment to reduce airlines' use of APU's at the gates currently not served by these systems.
- Compostable packaging for concessions food containers.
- Continue with the replacement of gas vehicles with hybrid vehicles, CNG and biodiesel to achieve a 100% clean fuel vehicle fleet.
- Attainment of LEEDS silver-certification to remodel Boarding Area D.
- Additional innovations in policy development to encourage public transit, alternative transportation options and the further use of clean air vehicles.
- Investigate Wind Power opportunities.
- Pursue a cooperative program with airlines to provide for in-flight recycling.

SFO is proud of the Sustainability Program and its achievements. We recognize that there is much work to be done and that it requires the commitment and participation of everyone, including airlines and tenants. We will continue to work with them to make improvements to achieve critical environmental gains, and reduce SFO's overall impact to the environment.

Mr. Satero said that we will be updating this report every two years. We do quarterly tracking of a lot of our key initiatives in recycling and our pilot programs.

Commissioner Johns asked who receives this report.

Mr. Satero responded that we produce 400 hard copies and it is available on CDs and the website as well. We also provide it to the Roundtable, our tenants, and regulatory agencies. We also provide copies to other airports as requested.

Commissioner Mazzola said that this was a very impressive report.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenheim and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Modification No. 1 to Contract 8300B - Runway 28L-10R Overlay and Reconstruction - Granite Rock Company, dba Pavex Construction - \$2,500,000

No. 07-0248	Resolution approving Modification No.1 to Contract 8300B, Runway 28L -10R, Overlay and Reconstruction, Granite Rock Co., dba Pavex Construction, in an amount not to exceed \$2,500,000, for new a total contract amount of \$18,231,435.
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Mr. Ernie Eavis, Deputy Director, Facilities, said Pavex was awarded this contract to overlay and reconstruct Runway 28L-10R. The contract began this past weekend. As part of the reconstruction we will have a tremendous amount of pavement groundings as we lower some of the high spots on the runway before overlaying them. This modification will take those pavement grindings and instead of hauling them down the freeway to other projects we will use them to start constructing the base for the expansion of Lot DD out at the intersection of 101 and 380. This project will also allow us to put the final lift on that parking lot, provide striping and all the appurtenances that go with the parking lot, and allow us to construct 550 additional parking spaces before the summer surge in traffic.

If we were to put the total contract out to bid we would not be able to complete the project before the end of summer. This modification saves us a lot of time and materials, and the parking will be available in a timely manner.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 10, was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Award of the Security Checkpoint Mail Service Lease to Checkpoint Mailers, Inc.

No. 07-0249	Resolution awarding the Security Checkpoint Mail Service Lease to Checkpoint Mailers, with base rent
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calculated at ten percent (10%) of gross revenues and a term of three years with two one-year options exercisable at the sole discretion of the Airport Commission.

5. Bid Call - Contract No. 8737 - Lot D Improvements

No. 07-0250 Resolution approving scope, budget and schedule for Contract 8737, Lot D Improvements, and authorizing the Director to call for bids when ready.

6. Bid Call - Contract No. 8528 - Millbrae Drainage Pump Station Improvements

No. 07-0251 Resolution approving the scope, budget and schedule for Contract No. 8528, Millbrae Drainage Pump Station Improvements, and authorizing the Director to call for bids when ready.

7. Bid Call - Contract No. 8591 - Electrical and Telecommunications Improvements and Repairs

No. 07-0252 Resolution approving the scope, budget, and schedule for Contract No. 8591, Electrical and Telecommunications Improvements and Repairs, and authorizing Director to call for bids when ready.

8. Bid Call - Contract No. 8827 - As-Needed General Construction

No. 07-0253 Resolution approving scope, budget and schedule for Contract 8827, As-Needed General Construction, and authorizing Director to call for bids when ready.

9. Authorization to Exercise the First of Five One-Year Options to Extend Contract with SFO Shuttle Bus Company, Inc.

No. 07-0254 Resolution exercising the first of five one-year options to extend contract with SFO Shuttle Bus Company, Inc., for Employee and Long-Term Passenger Shuttle Services effective January 1, 2008 through December 31, 2008.

Commission Johns asked if this had gone out for an RFP.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said an RFP was issued in 1998. The contract award was for 10 years with five, one-year options.

We buy the buses but the contractor does the financing for us. The 10 year time period reflects the amount of time it takes to amortize the buses. The contractor runs and operates the buses for us and we have ownership. This contract is approved every year through the budget and then by the Board of Supervisors.

10. Approve Lease with Singapore Airlines Cargo Pte. Ltd. at Building 710 on Plot 12

No. 07-0255

Resolution approving and authorizing execution of a lease with Singapore Airlines Cargo, Pte., Ltd., for Cargo Warehouse Space in Building 710 on Plot 12 and directing the Commission Secretary to request approval of the lease by the Board of Supervisors.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Peter Fatooh wanted to come in and say what I think a lot of San Franciscans need to say and that is to thank people like yourselves who take a lot of time out of your private lives and serve the City of San Francisco. I know Ms. Johns, I know Mr. Guggenheim have served for years in the City of San Francisco on various Commissions and I know Mr. Mazzola that you and your late father and your family have served the City of San Francisco numerous almost decades. I don't think you get recognized enough and I wanted to come here and tell you how much you are appreciated. It's a tough job. There is some glory to it but there is a lot of hard work. And in addition to that, I have known Jean Caramatti for many years. She is a very dedicated servant of San Francisco and she has done a marvelous job, in my estimation, as secretary to this Commission and I want to recognize that.

Mr. Fatooh mentioned two issues of great concern to him. First, the world class International Terminal lacks two world class items, one is signage in the garages. You don't know where to park because the signage in the International garages doesn't clearly identify the airlines.

Second, the signage in the waiting area of the International Terminal is just as bad as it was in the old terminal. He was in the Milan train station a couple of years ago and they have this huge glorious tote board that can be seen easily. You don't have to walk to screens. It's not a cheesy neon flashing sign. And the information on the Milan signage is updated often. At SFO you have to find the screen. And the red neon is not San Francisco quality and that should be addressed.

Finally, last year he and his family returned home from Hawaii around 8:30 PM and collected their luggage ... Why do passengers have to go to the departures level to get a van when baggage claim is downstairs on the arrivals level? When they reached the

curb he approached a dispatcher and asked how much it would cost a family of four ... two adults and two children ... to take a van into the City. The dispatcher gave him a quizzical look and told him to ask a driver. He thought it odd that a dispatcher did not know the pricing. He was quoted a price by a driver that he felt was too high ... the driver was charging children at the same rate as adults. He walked 25 feet to another dispatcher and asked the same question. Again he was told that he would have to ask a driver. A driver pulled up and quoted a price that was a third of what the first driver quoted him. Dispatchers should know pricing. When two dispatchers don't know the pricing, something is going on. There is piracy at SFO.

Commissioner Mazzola told Mr. Fatooh that he raised some good points and thanked him for bringing them to the Commission's attention. Pirating has been going on forever at SFO, and at other airports as well.

He asked Mr. Martin to revisit the signage.

Mr. Martin said that he and Tryg McCoy will follow up on it.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

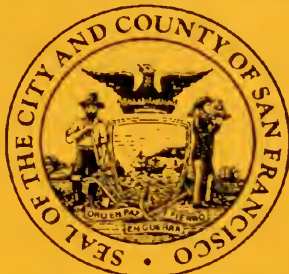
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L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

November 20, 2007

9:00 A.M.

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Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
November 20, 2007

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C.		ADOPTION OF MINUTES:		
		Special meeting of October 30, 2007	07-0256	4
D.		ITEMS INITIATED BY COMMISSIONERS:		
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award Contract 3828C - Power Distribution System Loop Connection, Phase III - Proven Management, Inc.	07-0257	4-5
	2.	Award Contract 8474 - Rehabilitation of Cooling Towers - Proven Management, Inc.		5-6
	3.	Approve Selection Panel's Recommendation, Authorization to Enter into Negotiations and Prepare Professional Services Agreement for Contract 8757.9 - Construction Management Services for Terminal 2/Boarding Area D Renovations	07-0258	6-7
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F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Award Boarding Area F Candy Store and Kiosk Lease - Pacific Gateway Concessions	07-0260	9
	6.	International Terminal Automated Teller Machines Lease	07-0261	9-10
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	Potential Litigation	12
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AIRPORT COMMISSION MEETING MINUTES

November 20, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenhirne

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of November 20, 2007 were adopted unanimously.

No. 07-0256

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved, as amended, by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Award of Contract No. 3828C - Power Distribution System Loop Connection, Phase III - Proven Management, Inc. - \$6,032,434

No. 07-0257

Resolution awarding Contract No. 3828C, Power Distribution System Loop Connection, Phase III, to the lowest responsive, responsible bidder, Proven Management, Inc., in the amount of \$6,032,434.

Mr. Ernie Eavis, Deputy Director, Facilities stated this item awards the Power Distribution System Loop Connection, Phase III. This contract replaces substation

BR in the Southfield Area with a much larger, more robust substation. It will also upgrade the connections between the North Field Lighting Building and the South Field Lighting Building. This will allow us to be able to go and power any part of the Airport from either Station M or Station BA ... the two main substations where we draw our power into our 12,000 Volt system from PGE's 100,000 Volt System that runs up and down the Peninsula. This is the last project in the major overhaul that we have been doing out in the field for the lighting systems.

Four bids were received, with Proven Management submitting the lowest bid at \$5.8 Million. The engineer's estimate was 6.1 Million. This project is funded by the FAA and they will pay 75% of the eligible costs.

Commissioner Johns noted that the Engineer's estimate was \$6.1 million and that was for the base bid. So the base bid amount was under the engineer's estimate, but including the alternate it is \$6.4 million. What about the alternate?

Mr. Eavis responded that their alternate prices were in line with the engineer's estimates for the alternates. The cost was estimated somewhere in the \$6.2 to \$6.3 million range. They didn't back load any money into the alternates. They were good prices for those alternates as well.

Commissioner Johns asked what are we contracting with them to do .. the bid with the alternates, or the bid minus alternates.

Mr. Eavis responded that it is the bids with the alternates.

Commissioner Johns asked if we are approving \$6.4 today, or are we approving \$6.0 million.

Mr. Eavis acknowledged the error ... the total amount should be \$6,410,264, with an \$80,000 Type 1 Modification.

Commissioner Ito noted that this is an FAA contract so there were no DBE goals required. She did not believe we were dealing with race any longer.

Mr. Eavis responded that it is the language we have been using is for DBEs. The Federal Government uses the term "race neutral."

Ms. Jean Caramatti, Commission Secretary said that the resolution needs to be amended as it contains the incorrect amount.

Commissioner Crayton stated then I would amend my motion to include the corrected amount in this resolution as corrected.

Ms. Caramatti, Commission Secretary stated the corrected amount if \$6,410,264.

Item No. 2 was put over without discussion.

2. Award Contract 8474 - Rehabilitation of Airport Cooling Towers - Proven

Management, Inc. - \$1,159,428

Resolution awarding Contract No. 8474, Rehabilitation of Airport Cooling Towers, to the lowest responsive, responsible bidder, Proven Management, Inc., in the amount of \$1,159,428.

Item No. 3 was moved, as amended, by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Approve Selection Panel's Recommendation, Authorization to Enter into Negotiations and Prepare Professional Services Agreement for Contract 8757.9 - Construction Management Services for Terminal 2/Boarding Area D Renovations

No.07-0258

Resolution approving Selection Panel's recommendation, authorizing staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 8757.9, Construction Management Services for Terminal 2/Boarding Area D Renovations.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that this item recommends the Commission approves the selection T-2 Partners as the highest ranked proposer to provide CM services in support of the Terminal 2/Boarding Area D Renovations project.

The Airport convened a selection panel to conduct the RFP solicitation process which was facilitated by the Airport's Contract Administration Unit. On October 12 the Airport received two proposals in response to the RFP ... one from DMJM Aviation in Association with URS Corporation, Environmental and Construction Solutions, and Saylor Consulting Group; and a second from T2 Partners, a JV of Parsons Transportation Group, EPC Consultants, and the Allen Group.

On October 30th, the selection panel conducted interviews with key personnel of both firms, reviewed client references, scored the firms and developed a ranking. The selection panel felt that both firms were well qualified to perform the required services, which is reflected in the final scoring. However, T2 Partners scored higher in the proposed management structure and key personnel criteria, which gave them the edge in the final scoring.

Based on the results of the ranking, staff recommends that the Commission authorize the Airport to enter into negotiations with T2 Partners. Pending successful negotiations with T2 Partners, staff will return to the Commission with a recommendation to award a professional services contract.

T2 partners has committed to an 11% LBE subcontractor participation, in comparison to the HRC goal of 10%.

Commissioner Ito asked if the EIR addendum has already been approved by the

Board of Supervisors? Does it go to the Board ahead of the budget?

Mr. Satero responded that the EIR addendum has been approved in the supplemental.

Mr. Leo Fermin, Deputy Director, Business and Finance, responded that the EIR addendum will go to the Board together with the Supplemental Appropriation for Commercial Paper as a companion item. It will be submitted to the Board when we submit the request for Commercial Paper authorization.

Commissioner Ito asked if the Planning Commission has already blessed the addendum?

Mr. Fermin responded that they have.

Commissioner Ito stated, with respect to the oversight of the project management group, that some of the key players seem to be the same people involved with the I.T. buildout and the concerns we had in terms of oversight with contingency requests. Do we have another expert panel overseeing the recommendations coming out of the management group? Do we have another layer of checkoffs before it comes to us?

Mr. Satero responded that there will be. We will convene an advisory board similar to what was done during the Master Plan. It will consist of Airport Senior Staff, principals of some of the involved firms and an Airline Liaison Office high level person. Similar to the Master Plan, there will be monthly reviews of project status, changes and forecasts.

Commissioner Ito asked what Mr. Satero meant when he said that the T2 group had the edge because of their management structure.

Mr. Satero responded that in the proposals the selection panel felt that the organization proposed by T2 Partners was a very clear reporting structure as well as definitive assignments and responsibilities for the groups. The conclusion of the selection panel was that the delineation of responsibility and lines of reporting were clearer with T2 Partners and appropriate for the project.

Commissioner Johns asked who was on the selection panel.

Mr. Satero responded that the selection panel consisted of Jackson Wong, COO, Tom Kardos, former Deputy Director of the Bureau of Design and Construction, and Johanna Wong who is a project manager with PUC.

Commissioner Crayton thought that the management consultants used previously had done a good job and had a fairly good track record with the Airport.

Mr. Satero responded that they had done a very good job. The projects they were involved with were successful projects and they did a good job.

Item No. 4 was moved, as amended, by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Use of Commercial Paper for the First \$55 Million of the T-2/Boarding Area D Renovation Project

No. 07-0259

Resolution authorizing issuance of Commercial Paper for the first \$55 Million of costs for the T-2/Boarding Area D Renovation Project and a Supplemental Appropriation of the Commercial Paper proceeds.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Leo Fermin, Deputy Director, Business and Finance said that in order to keep financing costs as low as possible we are requesting Commission approval to use Commercial Paper to pay for the first \$55 Million costs of the T2 Boarding Area D Renovation Project. This is an interim financing technique which we used quite successfully during the Master Plan Program. Increments of cash are raised through short term notes throughout the design and construction phase of a project. These short term notes can vary up to 270 days in duration and as notes expire they are rolled over into new notes. Because short term interest rates are lower than long term rates, interest costs are kept lower. For example, short term commercial paper issued today would cost us about 3.6% compared to a 30 year revenue bond cost which would be about 4.8%. Once the design work is completed and we go beyond the initial demolition site investigations and facility condition assessments, we will then return to you for approval of additional increments of Commercial Paper for additional construction work. When the project is complete we will then sell refunding 30 year revenue bonds to take out all of the Commercial Paper. The Airport's financial advisory panel has approved this financing technique. We next have to go to the Board of Supervisors for approval before we can issue the first set of notes.

Commissioner Crayton asked if we had to go through another EIR review, or is this subsequent to the previous one?

Mr. Fermin responded that the EIR review is done. There was an addendum to the EIR which Planning Department has approved.

Commissioner Johns thought that there were two different plans for Boarding Area D ... two different configurations. She asked if this Supplemental EIR applied to either configuration.

Ms. Danielle Rinsler, Director, Planning, responded that at the time of the briefings there were a couple of different schemes that we were looking at, however both schemes included 14 aircraft gate positions. The environmental impacts that were considered in the addendum that were evaluated to validate the program EIR completed in 1992 suggest that the environmental impacts of either scheme would be within the envelope of the environmental impacts analyzed in the EIR.

Commissioner Johns wanted to make sure that there would be no conflict in choosing one over the other ... that both schemes were considered.

Ms. Rinsler said that both schemes were considered in the environmental impacts. Neither would be considered in excess of what was considered.

Mr. Fermin added that this issuance of Commercial Paper is for the renovation of Boarding Area D, not for those two projects.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 7, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

5. Award of the Boarding Area F Candy Store and Kiosks Lease - Pacific Gateway Concessions, LLC

No. 07-0260	Resolution awarding Boarding Area F Candy Store and Kiosks Lease to Pacific Gateway Concessions, LLC for a minimum annual guarantee of \$625,000 for the first year of the Lease and for a term of the first (5) years with two one-year options exercisable at the sole discretion of the Airport Commission.
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6. International Terminal Automated Teller Machines Lease

No. 07-0261	Resolution approving revised lease specifications, minimum qualifications, bid requirements and minimum acceptable bids in the amount of \$50,000, and authorizing staff to accept bids for the International Terminal Automated Teller Machines Lease.
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Commissioner Johns asked if we were going from 10 machines to five.

Leo Fermin stated yes that is correct.

Commissioner Johns asked why we were doing this. Won't this be more inconvenient for our passengers?

Mr. Fermin responded that we were told by the operator that they are not utilized as much as expected. In order to make this lease more viable economically we agreed to eliminate some of the less used machines.

Commissioner Johns said that the number is being reduced by half. She recalled that the Commission voted previously to retain the \$1.50 fee. She asked if that was part of the negotiations ... we are reducing the number of ATMs from 10 to five because we weren't permitting the operator to go to the higher fee.

Mr. Fermin responded that it is. We put this out on the street and no proposals were submitted. No one was interested in operating 10 machines at \$1.50 per transaction. Among the suggestions received was to eliminate some of the less used machines. That is why we agreed to lower the MAG as well as reduce the number of machines.

7. The Swatch Group (U.S.), Inc.'s Terminal 3 Discretionary Concession Opportunity Lease No. 02-0219

No. 07-0262

Resolution exercising the two-year option under The Swatch Group (U.S.), Inc.'s Terminal 3 Discretionary Concession Opportunity Lease No. 02-0219 for an option term of May 26, 2008 through May 25, 2010 under the existing lease terms and conditions.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Steve Pitocchi, Service Employees International Union, Local 1021. He is the worksite organizer for the PSAs and the janitorial employees. He came to introduce himself so that in the future if there are issues to address within the Commission's jurisdiction, he wouldn't be an unfamiliar face.

Commissioner Mazzola thanked Mr. Pitocchi for introducing himself and hoped to see him on a friendly basis all the time.

Ms. Lena Toffani, San Bruno resident and homeowner representing the community (Acorn) in the back of the room. She is present because of the limos and buses that park on her street. She presented photos.

Commissioner Mazzola asked if she addressed her concerns with the Airport's Landisde Operations.

Ms. Toffani said that San Bruno City Hall officials told her that they must bring this to San Francisco.

The limos could have other resources for parking at the Airport. They are always taking up parking spots ... they are always there and dishing out their garbage.

Commissioner Mazzola asked if she has reported this to her local police?

Ms. Toffani responded that they reported it to San Bruno and the Police Department but were told that they needed to bring it to San Francisco's attention.

Ms. Toffani said that they park in front of her house all day long ... 24/7 ... because the next exit is SFO. They wait for calls and then they leave.

Commissioner Mazzola asked Jackson Wong to look into this matter.

Mr. Jackson Wong, COO, said that he would have Tryg McCoy, Deputy Director of Operations, to get together with her.

Commissioner Mazzola asked Ms. Toffani to please leave a phone number with Mr. Wong after the meeting.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that Landside is aware of this and we have received letters from the public occasionally. We have asked the SFPD-Airport Bureau to look at the situation. One of the steps we are going to take very soon is to provide a section of a parking lot between the Long Term Parking and the Cell Phone Lot that can be expanded ... it's about 50 - 60 spaces. It is not used currently being used and we are going to offer it to the limousines as a place to park rather than parking on the community streets. This area is on Airport near the United Maintenance base. Limos can respond to calls faster from this location than they can from San Bruno.

We can't control them if they choose to park over there. The permit signed by limousine companies stipulates that they can't park on the surrounding streets so they are in violation of their permit. However, San Bruno police can't cite them for violating the San Francisco Airport Limousine Permit.

Commissioner Guggenhime asked why their permits can't be pulled for violations.

Commissioner Johns asked what we do if there is a permit violation.

Mr. McCoy responded that we have a number of violations, but in this case if someone in the community can substantiate that limousine 123 was parking in the community at a specific time we would then contact that limousine company and remind them of the requirements of the permit. They will be told that progressive action will be taken should they continue to violate the permit. However, we believe that when we offer this space to them there will no longer be a reason to park in the community.

Mr. McCoy said that he would be happy to meet with Ms. Toffani after the Commission meeting to discuss it with her.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

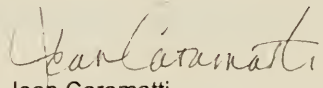
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

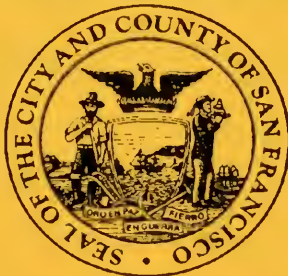
* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

December 18, 2007

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

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President

LINDA S. CRAYTON

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CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
December 18, 2007

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		Regular meeting of November 20, 2007	07-0263	4
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11.	Bid Call - Contract 8513 - Superbay Water Tanks Improvements	07-0273	13
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AIRPORT COMMISSION MEETING MINUTES

December 18, 2007

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President

Hon. Caryl Ito

Hon. Eleanor Johns

Hon. Rich Guggenheimer

Absent:

Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 20, 2007 were adopted unanimously.

No. 07-0263

* * *

D. DIRECTOR'S REPORT:

1. Report on Contracts Awarded to Local and Disadvantaged Business Enterprises for FY 2006-07

FY 2006-07 Status Report of Airport Contract Awards to LBEs/DBEs.

Ms. Sandra Crumpler, Manager of Small Business Affairs, said that during the City's fiscal year of July 1, 2006 to June 30, 2007, and the Federal funding year of October 1, 2006 to September 30, 2007, 31 contracts and nine concession leases were awarded and approved by the Commission. For contracts administered under Chapter 14B, LBE Ordinance, there were 13 construction contracts totaling \$19.9 Million. Of this amount, LBE-owned firms were awarded \$8.3 Million, which represents 43% of the total dollar amount.

Nine professional service contracts were awarded totaling \$3 Million, five of which received HRC waivers of the LBE subcontracting goals. These contracts are reflected on Chart Nos. 2 and 4 of the report. For contracts administered under the Federal DBE Program, there were nine construction contracts totaling \$47.6

Million with DBE-owned firms receiving contracts totaling \$10 Million, representing 17% of the total dollar amounts. Nine concession leases were awarded, five DBE owners received five of these leases. This represents 55% of the total number of leases awarded during the year and these two phases of contracting are shown on Chart Nos. 3 and No. 5 of the report. Chart No. 4 shows the HRC waivers and provides an idea of the types of contracts that were waived. These contracts were under \$1 Million so they are small contracts, as needed contracts.

We continue to do outreach to the various ethnic Chambers of Commerce in San Francisco and the Bay Area and we participate in various conferences and trade fairs to inform the business community of the contracting opportunities available at the Airport, and also on how to get certified as local disadvantaged businesses.

Commissioner Ito asked Ms. Crumpler if she is involved with citywide discussions in terms of how these contracting opportunities are trending under the new LBE Ordinance, since the M/WBE Ordinance was dispensed with locally.

Ms. Crumpler responded that we are meeting twice a month with the HRC Subcommittee and other staff are attending other subcommittee meetings as well.

Commissioner Ito said that it looks like our opportunities for construction and concession leases are doing okay, but how are they doing relative to other major departments?

Ms. Crumpler responded that she asked the new HRC Director for a report to see what is happening annually. He has promised to do one in the next six months. The report will give a status in terms of what is happening with dollar amounts and where the contracts are going. The report will be shared with the Commission.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola said that he was asked by Mike Casey, chief officer of Local 2, Culinary Union, to sit on a panel along with Supervisors Peskin, Mirkarimi, and McGoldrick. This fact finding panel was convened yesterday to hear from employees about what is happening to them working for concessionaires at the Airport. There are 650 employees. The union is currently in bargaining. They sat there for about 2 hours hearing testimony from employees about what is going on.

The union submitted a letter to Director John Martin accusing the concessionaires of charging over and above the 10% in some cases and some other problems. The Director will look into all of the allegations that were made so that we can respond.

They have strike sanction for a two day strike ... of course, we don't know which two days they will choose if, in fact, they get to that. We hope they won't get to that. We are in communications with the unions as far as continuing their negotiations.

Their main problem is health and welfare costs. Employers are paying \$236 a month to the employee cost of \$450 a month. The difference is paid by a union fund, but that

fund will run out in one year. This is a major issue if the employer doesn't choose to come up with more money during negotiations. Other issues include holiday pay but the union can resolve most of those kinds of working conditions.

Mr. John Martin, Airport Director said that we are eager to see this settled and avoid a strike. We will be following up to Mike Casey's letter and reviewing the prices charged by concessionaires. We have found that the prices being charged conform with what we have approved, but we need to go back and make sure that the information the tenant has provided to us is accurate and they, in fact, are not charging more than 10% above their San Francisco locations. We will be tracking that down and going to actual restaurant locations in the City to see where there may be violations.

He will contact the Host CEO today to try and encourage settlement of the issues. He will talk to some of the leaders of the smaller restaurant group that is negotiating separate from Host. We are a little bit more optimistic that Host may settle first.

Commissioner Mazzola said that he was also optimistic that a strike won't take place and he hopes that they can reach some kind of understanding.

Their other main issue is parking. Those 650 employees are the only employees paying for parking .. they pay \$75 a month.

Commissioner Mazzola said they are very low paid ... some only receiving \$11.00 or \$11.20 an hour ... and that \$75 is a burden for them. Host paid for employee parking under their former master lease. The Director has some ideas on how we may be able to help from our end.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

2. Modification No. 7 to Contract No. 5703A - Phase II - AirTrain Operation and Maintenance - Exercise Final Option Year - (Option Year Three) - Bombardier Transportation (Holdings) USA, Inc. - \$5,370,174

No. 07-0264

Resolution authorizing the exercise of the final option year (Option Year Three) Contract 5703A, Phase II, AirTrain Operation and Maintenance with Bombardier Transportation (Holdings) USA, Inc., in the amount of \$5,370,174 for a new contract amount of \$35,179,057, effective February 24, 2008 to February 28, 2009. Funding will be provided from the Airport's Operating budget.

Mr. Ivar Satero, Deputy Director, Design and Construction, said this contract was awarded in 1998 and provides for both the Phase I Design, Construct, Install, Test and Demonstrate as well as the Phase II Operation and Maintenance of AirTrain.

O&M services started in February of 2003 following the completion of the testing program. The initial three year O&M period expired in February 2006. The contract contains provisions for three, one year options exercisable at the sole discretion of the Airport. The Airport awarded the second of the three, one-year options in November 2006. This items awards the third and final one-year extension to the contract in the amount of \$5,370,000, for a total new contract amount of \$35,179,000.

Both the initial 3 year fixed term for O&M services, as well as the one-year options were part of the competitive solicitation. Airport staff has analyzed the cost effectiveness of continuing with the final option year and believes the Airport realizes significant economic and operational benefit for exercising the final option year. The system has operated very well since opening, achieving an average availability of 99.69%, substantially exceeding the contract minimum of 99.5%. The year to date average availability has been 99.67%, and for the past 5 of the past 6 months the contractor has exceeded the high end of the range, the 99.8% threshold and has received the 1% incentive bonus for that performance.

The HRC has determined that Bombardier has met its MBE/WBE Phase II subcontractor participation of 8% percent with the participation of its sub-supplier Primus Industries. Bombardier continues to subcontract the glass cleaning to an LBE subcontractor.

Staff will return to the Commission in March of 2008 requesting Commission authorization to modify the contract to include labor and materials escalation costs for year five, Option Year 2 as well as additional changes for the O&M services. The current estimate for the March modification is \$3.12 Million.

With the assistance of PGH Wong Engineering, staff is preparing an RFP and contract for AirTrain O&M services following the expiration of the Bombardier contract in February of 2009. We will anticipate coming back to the Commission in April of 2008 requesting authorization to issue that RFP.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Modification No. 2 to Contract 8204.9 - Construction Management Services for Terminal 1 AirTrain Pedestrian Bridge and Mezzanine (Project 5706B) and Terminal 3/IT Boarding Area G Secure Connector (Project 8204) - The Allen Group, LLC, Townsend Management, Inc., & Cooper Pugada Management, Inc., A Joint Association - \$815,000

No. 07-0265

Resolution approving Modification No. 2 to Contract 8204.9, Construction Management Services for Terminal 1 AirTrain Pedestrian Bridge and Mezzanine, (Project 5706B) and Terminal 3/IT Boarding Area G Secure Connector (Project 8204) with The Allen Group, LLC, Townsend Management, Inc., & Cooper Pugada Management,

Inc., A Joint Association in the amount of \$815,000 for services through December 31, 2008.

Mr. Satero said that this item seeks authorization to modify the current contract with The Allen Group, LLC, Townsend Management, Inc., & Cooper Pugged Management, Inc, A Joint Association to provide construction management services for the Terminal 1 AirTrain Pedestrian Bridge Mezzanine Project and the Terminal 3 Secure Connector to the International Terminal Project. The \$815,000 modification provides for the annual renewal of services and is anticipated to provide the appropriate staffing to complete the projects.

As an update, the Terminal 1 AirTrain Bridge Mezzanine Project is substantially complete. The consultant is assisting with negotiation of final change orders, final completion of punch list items and receipt of all close out documentation.

Regarding the Terminal 3 project, in October the Commission awarded the Design-Build contract to Hensel Phelps for design-build services following the Airport's decision to proceed under that alternative project delivery. The schedule to complete the project is November 2008.

The joint association continues to provide a high level of service to the Airport and maintains the appropriate focus on cost and schedule performance. The integration of the Airport's construction management staff with the consultant's construction management staff has served the project well and we will use that similar type of management structure to complete the Terminal 3 project.

The Joint Association will provide the construction manager, a contracts administrator, as-needed cost estimating and scheduling services, as well as special inspection and materials testing for the project. The Airport will provide the Project Manager and inspection staff. We anticipate that the consultant will achieve a 10.9% local DBE subcontractor participation in comparison to the approved goal of 8%.

Commissioner Johns asked if most of the work is on the Terminal 3.

Mr. Satero responded that it is.

Item No. 4 was moved by Commissioner Guggenheim seconded by Commissioner Johns. The vote to approve was unanimous.

4. Modification No. 2 to the Professional Services Agreement - Contract No. 8746 Jacobs Consultancy, Inc. - \$700,000

No. 07-0266

Resolution approving Modification No. 2 to the Professional Services Agreement with Jacobs Consultancy, Inc., to increase compensation in an amount not-to-exceed \$700,000, to provide professional services to include an air passenger traffic forecast update, an air cargo forecast,

additional tasks related to the Demand Management Plan for San Francisco International Airport, and additional aviation planning services for a total contract amount not-to-exceed \$1,625,000.

Ms. Danielle Rinsler, Director, Planning said that this item seeks approval of a contract modification for Jacobs Consultancy to increase the contract amount by \$700,000. Jacobs is a member of the approved as-needed Airport Planning and Management Services consultant pool. The work to be performed under this modification includes an air passenger traffic forecast update, a cargo forecast, tasks related to the Airport's demand management study and as-needed Airport planning support. The tasks to be completed by Jacobs under this contract modification will largely support the Airport's long range Airport development plan which is being developed by in-house staff with as-needed professional services.

Air Passenger Forecast Update (\$60,000)

This will be conducted as part of the on-going capital funding process for the Terminal 2/Boarding Area D project. The Airport has committed to the airlines to provide regular updates on air passenger traffic levels, including updated forecasts prior to requesting additional capital funds for the project in the Spring. This forecast update will evaluate traffic levels since the initiation of service by JetBlue, Southwest and Virgin America, including an analysis of the response by and service levels of other carriers at the Airport. The air passenger forecast update will be completed by May 2008.

Air Cargo Forecast and Market Study (\$50,000)

The Airport is also looking to conduct an air cargo forecast and market study which will provide annual air cargo forecast for the period 2009 through 2013 and also in five year increments through 2028. This study will describe the composition of the air cargo industry at SFO, provide a competitive evaluation of SFO relative to other West Coast gateway airports and provide an inventory of SFO's dedicated air cargo facilities, and ultimately help us to define future air cargo facility needs at the Airport. This task will help the Airport better plan for and design future air cargo facilities, including the West Field Cargo Redevelopment Project.

Demand Management Plan (\$300,000)

In June 2006 this Commission approved contracts enabling us to initiate a demand management study for the Airport (1) to evaluate historical and forecast aircraft delays at SFO and assess changes in the composition of air passenger markets since our peak year in 2000. We have also conducted research and documents in the types of demand management techniques employed in the US and elsewhere. The study is also starting to identify and analyze potential demand management solutions for the Airport. CRA International and Jacobs Consultancy are assisting the Airport with the development of this study.

Since the Airport began this study, the Bush Administration has identified airline

delays as one of its top domestic policy issues. As a result of the historic delay levels reached in New York in the summer of 2007 and the anticipated increase in aircraft delays at SFO and other congested airports, with the development of the demand management plan and outreach to the airline industry and other stakeholders the Airport will identify appropriate demand management techniques that will provide for the most efficient use of our limited airfield and airspace capacity and help shape federal policy related to demand management.

Other As-Needed Airport Planning Services (\$290,000)

Other as-needed planning services we envision under this modification include services to support Airport planning with the development of the comprehensive Airport Development Plan (ADP) that will incorporate the results of the preferred domestic terminal redevelopment plan, and also provide a roadmap for future Airport planning and airport facility development initiatives. We primarily envision Jacobs' staff assisting us with as-needed airside and landside planning assistance, CAD/GIS computer design and geographic information system support as we go through this project.

Item No. 5 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Plan of Finance and Necessary Amendments for Issue 2008A Refunding Bonds

No. 07-0267	Resolution authorizing amending previously adopted Issue 2008A Refunding Bond Sale Resolution to increase maximum principal amount to \$670 Million as part of updated Plan of Finance.
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Mr. Leo Fermin, Deputy Director of Finance stated that before we brought this item to you this morning we presented this to the Airport Financial Advisory Panel for review. The panel has reviewed and approved this agenda item which basically does three things. First, it authorizes the refunding of an additional \$220 Million worth of bonds which become callable in 2008, second it extends the time to do these refundings to 2010, and third it authorizes us to obtain a Letter of Credit for these refunding bonds.

It was in late 2005 that the Commission authorized the next round of bond refundings which are planned to close in February 2008. At the time the planned amount of these refundings was \$450 Million. The interest rate environment has since improved and now instead of refinancing \$450 Million, savings can be achieved today by refinancing a total of about \$580 Million. If interest rates decline further it may be possible to achieve savings on a total of \$670 Million, so we are asking for authorization to go to the full \$670 Million in case interest rates help us achieve that.

The second thing this does is to provide an extension of time, if necessary, to sit out the market just in case the current turmoil in the credit markets extends to our refinancings and prevents us from getting the maximum possible debt service

savings on the next round of bond issuances.

Finally, we had originally planned to do the next refundings with a variable rate instrument called Auction Rate Bonds which in the past had provided us with more advantages over the alternative which are called Variable Rate Demand Notes. However, now we are seeing more aggressive pricing on Variable Rate Demand Notes instead and if this continues we may go that route instead of the Auction Rate Bond route. If this were the case, this other technique would require a liquidity provider and that is why we are asking for authorization to procure a Letter of Credit, if necessary, for this next round of refundings.

Commissioner Guggenhime said that the current allocation has unhedged variable rate debt of 6% on long term ... that's on \$246 Million on the second page of the debt portfolio. Why are we increasing the amount of unhedged debt?

Mr. Fermin responded that we are trying to preserve our capacity for future refinancings for the Five Year Capital Plan for the immediate to longer term.

Commissioner Guggenhime assumed that unhedged gives us more flexibility.

Mr. John Martin, Airport Director said that it gives us more flexibility and the Commission adopted a policy of up to 20% variable unhedged debt so this just matches that. It is still very conservative in terms of the amount of debt unhedged as a portion of the debt portfolio.

Mr. Fermin added that the credit rating agencies generally recommend that the agencies have a variable rate debt in their portfolio of between 20-25%, so we are still below that threshold.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous

6. Official Intent to Reimburse Certain Expenditures Including Capital Costs and Cost of Issuance from Proceeds of Indebtedness

No. 07-0268	Resolution declaring Official Intent to Reimburse Certain Expenditures including Capital Costs and Cost of Issuance from Proceeds of Indebtedness.
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Mr. Fermin said that this resolution preserves the Commission's ability to reimburse itself from potential future bond issuances. As a prudent step bond counsel has advised us that from time to time a fresh new resolution should be adopted since the Airport's Capital Plan changes over time. The last reimbursement resolution the Commission adopted was on December 7, 2004. This will be the fifth such resolution since 1992. This resolution does not obligate the Commission to issue debt, nor does it obligate the Commission to reimburse itself. This resolution simply complies with a technicality under US Treasury regulations so that all of the Commission's options can be kept open for the future.

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 11, was moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Authorization to Issue Request for Proposals for Commercial Paper Issuing and Paying Agent Services

No. 07-0269

Resolution authorizing Airport staff to issue a Request for Proposals for Issuing and Paying Agent Services in connection with the Airport's Commercial Paper Program.

8. Award of the Garage Taxi Staging Area Mobile Catering Truck Lease - K-Delight

No. 07-0270

Resolution awarding the Garage Catering Area Mobile Catering Truck Lease to K-Delight for a minimum annual guarantee of \$80,256 for the first year of the Lease and for a term of one (1) year with two one-year options exercisable at the sole discretion of the Airport Commission.

Commissioner Mazzola asked is if this is a new concessionaire.

Mr. Fermin responded that it is a former employee of the current incumbent concessionaire who has branched out on his own and submitted a bid under his own business. The current lessee will not be operating it.

Commissioner Johns asked if the menu pleases the Taxi folks?

Mr. Fermin responded that we did a survey and it showed that the majority of the Taxicab drivers were very satisfied with the service. The survey was based on overall food choices, quality of the food, pricing, service and cleanliness and the ratings ranged from 88% to 91%. The lowest rating was 80% satisfaction.

9. Amendment to FY2007/08 Airport Rates and Charges: Taxi Smart-card Replacement Fee; Data and Voice Switched Optical Network (SONET) Access Fee; and Limousine Parking Fee

No. 07-0271

Resolution approving amendment to FY 2007/08 Airport Rates and Charges; Taxi Smart-card Replacement Fee; Data and Voice Switched Optical Network (SONET) Access Fee; and Limousine Parking Fee.

Commissioner Guggenheim asked how much do we collect on limousine parking

fees. Are we losing a lot of revenue out there?

Mr. Fermin responded that he will have to get back to the Commission on that.

Commissioner Guggenheim asked if the limousines will pay any parking fees.

Mr. Martin responded that they will not have to pay a fee in the remote lot. However, they will have to pay a fee, without a discount, in the central garage.

10. Commencement of a Competitive Selection Process for the Boarding Area F Hub Pharmacy, Health, and Beauty Concept

No. 07-0272	Resolution approving the proposed minimum qualifications requirements and lease specifications, and authorizing staff to commence a competitive selection process for the Boarding Area F Hub Pharmacy, Health, and Beauty Store Lease through a Request for Proposals Process.
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11. Bid Call - Contract No. 8513 - Superbay Water Tanks Improvements

No. 07-0273	Resolution approving the scope, budget, and schedule for Contract No. 8513, Superbay Water Tanks Improvements, and authorizing the Director to call for bids when ready.
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* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance No. 67.11 on whether to conduct

a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:35 AM.


Jean Caramatti
Commission Secretary

